FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1219198-0

Total Deleted Page(s) = 17
Page 30 ~ Referral/Direct - US Army-Intellligence and Security Command;
Page 31 ~ Referral/Direct - US Army-Intellligence and Security Command;
Page 32 ~ Referral/Direct - US Army-Intellligence and Security Command;
Page 33 ~ Referral/Direct - Dept of State;
Page 52 ~ Referral/Direct - Dept of State;
Page 64 ~ b7D;
Page 65 ~ b7D;
Page 66 ~ b7D;
Page 67 ~ b7D;
Page 68 ~ b7D;
Page 75 ~ b7D;
Page 76 ~ b7D;
Page 108 ~ Referral/Direct - US Army Intelligence and Security Command;
Page 109 ~ Referral/Direct - US Army Intelligence and Security Command;
Page 122 ~ Referral/Direct - US Dept of State;
Page 128 ~ Referral/Direct - US Army Intelligence and Security Command;
Page 129 ~ Referral/Direct - US Army Intelligence and Security Command;

```
XXXXXXXXXXXXXXXXXXXXXXXX
X   Deleted Page(s)    X
X   No Duplication Fee X
X   For this Page      X
XXXXXXXXXXXXXXXXXXXXXXXX
```

FEDERAL BUREAU OF INVESTIGATION

Room 5744 3/10 1940

To:
- ____Director
- ____Mr. Nathan
- ____Mr. Clegg
- ✓ Mr. Edward Tamm
- ____Mr. Glavin
- ____Miss Gandy
- ____Mr. Tracy
- ____Mr. Ladd
- ____Mr. Harbo
- ____Mr. Renneberger
- ____Mr. Nichols
- ____Mr. Hendon
- ____Mr. Quinn Tamm
- ____Personnel Files Section
- ____Files Section
- ____Miss Sheaffer
- ____ _____

See Me For Appropriate Action

Send File Prepare Reply

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/11/81 BY SPS IAP/jm

Clyde Tolson

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
by: C39W47B40

Mr Jolson
Mr Jones

SECRET

Axel Wenner-gren
Swedish Arms Industry
Electrolux
F. M. Goering
S. S. Athenia

12/11/91

1. A conference took place over the past weekend between the writer and a contact in the United States.

2. Certain matters concerning the above-mentioned man, much of which have been already reported, when placed in order and in connection with other matters appear to us to indicate the desirability of an investigation.

3. The sequence of events is as follows:

(I) Axel Wenner-gren was a student in Germany.

(II) 1914-1918 - Axel Wenner-gren, a Swedish subject, made considerable profits as the result of the war and became wealthy. The Swedes were generally pro-German.

(III) 1919 - The Electrolux Company, Aktiebolaget Electrolux of Stockholm, was organized into its present form. Full reports on this have been given elsewhere. Axel Wenner-gren is the principal stockholder and exercised active control until quite recently. The Company had branches in Germany, Switzerland, France, England, etc. These have now become semi-independent subsidiaries, the Swedish Company being a holding concern.

290,184
CLASSIFIED BY SP2 MACHTP
DECLASSIFY ON: OADR
4-7-89

(IV) According to the last annual report, not only had the Electrolux interests not been interfered with in Germany, but the German subsidiary paid substantial dividends to the Swedish holding company in German sundry bonds.

COPIES DESTROYED
14 SEP 15 1970

(U)

RECORDED & INDEXED

(V) There is a Hugo Wenner-gren in Berlin who is general manager of a company making plastic radio cabinets. He is reported by my informants in Berlin and Zurich to have a high reputation but they do not know whether he is related to Axel Wenner-gren.

Letter Watson Berle McCabe Anderson 1-29-40 Eat

(VI) In consequence of paragraphs (I)-(IV)

(a) Axel Wenner-gren has almost unmatched sources of information.

SECRET

SECRET

(b) On the other hand there is almost certain to be a leakage of information as to his own actions.

Note in this connection that all foreign concerns with offices in Germany are permeated by agents of Ribbentrop and Himmler. These agents are not only in the offices in Germany but in those abroad.

(VII) Axel Wenner-gren is also a principal in a large Swedish arms industry. He is therefore financially interested in the war and would profit by its inception and continuance.

(VIII) Just as the war began, Axel Wenner-gren left Stockholm in his yacht "Southern Cross" taking aboard a much larger supply of gas and oil than was necessary.

(IX) In September the "Athenia" carrying many American passengers was sunk at sea by an explosion.

(X) Axel Wenner-gren in his yacht was on the scene at the time.

(XI) The sinking was investigated by the U. S. Ambassador to England. The conclusion reached was that the "Athenia" had been sunk by a submarine. There was no identification of the submarine. The German press accused the British Admiralty of the attack. The British press accused the German Admiralty. Both denied the accusation.

ALL INFORMATION ON THIS PAGE IS CLASSIFIED UNLESS OTHERWISE INDICATED

Note - Other sinkings have not been denied by the German Admiralty.

(XI) (a) One result of the sinking was to harden the determination of the British Empire to proceed with the war.

(b) From this would result more profits for interested neutrals.

(c) Therefore it would have been to the advantage of an interested neutral to sink the "Athenia."

(d) This would be even more so if the result had been to involve the United States. This would have decreased neutral risks and increased their profits.

SECRET

(e) The American powers apart from the United States had no interest involved as Britain and France and would take all they could sell.

(f) It is certain that no United States submarine sank the "Athenia" and practically certain that no Russian submarine did so.

(g) It is unlikely that any Italian submarine did so in view of subsequent events and declarations.

(h) It is unlikely that any Scandinavian navy submarine did so. The possibility remains that a Scandinavian pirate submarine was responsible.

~~ALL INFORMATION ON THIS PAGE IS CLASSIFIED SECRET UNLESS OTHERWISE INDICATED~~ (s)

(i) The most interested Scandinavian neutral is Axel Wenner-gren. Moreover, he is apparently the only Scandinavian neutral financially able to take such action.

4. (I) I was informed last week that the U. S. Government chartered certain ships to bring back American citizens from Europe. One of these was the S. S. "Iroquois."

(II) Admiral Raeder advised the United States Naval Attache in Berlin to say that the "Iroquois" would meet the same fate as the "Athenia."

<u>Note</u> (a) that the Admiral gave no indication that the sinking would be by a German or an Allied submarine.

(b) that he could have obtained the information from a spy in some concern which was interested in the sinking.

(c) that at least one of Axel Wenner-gren's company's has offices in Germany.

(d) that there are therefore German agents throughout his concerns.

(e) that any plans he had would thus be known to Admiral Raeder. (see 3. (VI) (6) above)

(III) The United States Government thought that this was an attempt to break the U. S. Naval Code since the Attache would use this to radio Washington and knowing the contents of the message the Germans might reach the key to the code. The matter was however treated as if the warning were genuine - a convoy was sent and nothing happened.

SECRET

5. (I) Axel Wenner-gren had:

(a) A motive for the "Athenia" sinking;

(b) A record which indicates that the motive might be sufficient;

(c) Ability to have the sinking effected;

(d) Ability to know of the sailing of the vessel and its route;

(e) A yacht on the scene of the sinking at the time of the sinking.

(II) We then have Admiral Raeder's warning indicating:

(a) That some person had the intention of repeating the action;

(b) The possibility that Admiral Raeder knew of a pirate;

(c) The extreme unlikelihood of the existence of two pirates;

(d) The virtual certainty that if Axel Wenner-gren were involved his plans would become known to Admiral Raeder, although the obvious favor with which Wenner-gren is held in Germany would prevent his name from being disclosed;

ALL INFORMATION ON THIS PAGE IS CLASSIFIED UNLESS INDICATED OTHERWISE

(e) Presence of Wenner-gren's yacht in the North Atlantic at the time of Admiral Raeder's warning.

6. It is to be noted, although not necessarily as a related fact that Field Marshall Herman Goering is said to have large Swedish interests. If this is so, it is certain that there are some contacts between him and Wenner-gren. A submarine could have been obtained through him and distinguishing marks removed. In this connection note that a relative of Goering's named John Bishop, alias Van Bischoff, was last summer working across Canada as salesman for an English vacuum cleaning machine - (Electrolux).

7. There are altogether too many coincidences and the investigation should be pursued. We need:

(a) A complete history of Axel Wenner-gren;

(b) Contacts in Swedish shipyards;

(c) Contacts with the crew of his yacht now in the West Indies;

(d) Contacts with his household at Nassau, Bermuda.

Jan. 28-1940 8:40

SECRET

~~SECRET~~

WERNERGREN - NASSAU, B.W.I.

1. The message, of which transcript is attached, was lately brought to my attention.

2. In this connection I enclose herewith extract of report from my contact no. 1101.

3. The name of the yacht referred to as having rescued passengers from the S.S.ATHENIA was given at the time by the press as the SOUTHERN CROSS. This explains the NASSAU address.

4. A person named PETERSON is mentioned in the "The Brown Network" as having been an associate of HAAG. There is nothing however, to identify the Peterson name in the message with any such agent.

5. I am taking steps to obtain more information concerning WERNERGREN and ALECTROLUX through my usual sources.

December 18, 1939.

1625 hrs.

62

SECRET

VIA MARCONI

935NY R BERLIN 24 2 1345

WENNER GREEN SOUTHERN CROSS NASSAU BERMUDAS

SKALL KOEPA SKOLPLAN UTBILDA FLERA FLYGARE OM PENGAR

DISPONIBLA INITIATIV FRAN DIG SKALL VAECKA NY OFFERVILJA

PETERSEN

ALL INFORMATION ON THIS PAGE IS CLASSIFIED S UNLESS INDICATED OTHERWISE

SCHWEDENAB

CLASSIFIED BY: Spamanetra
DECLASSIFY ON: OADR
4-7-89

HELD 1142 AM Dec 2 /39

---

935 NY R BERLIN 24 2 1345 VIA MARCONI

WENNER GREEN SOUTHERN CROSS NASSAU BERMUDAS

SHALL BUY TRAININGPLANE MORE FLYERS IF MONEY AVAILABLE

INITIATIVE FROM YOU WILL AWAKEN NEW WILL IF SACRIFICE ON

PART OF PETERSEN

SCHWEDENAB.

CLASSIFIED AND EXTENDED BY SEC. TAP/jpp 12/11/81
REASON FOR EXTENSION FCIM, II. 1-2 113
DATE OF REVIEW OR DECLASSIFICATION 12/11/91

SECRET

~~SECRET~~

WENNER-GREN, AXEL (WERNERGREN) - NASSAU, B.W.I.

1. Reference is made to report of December 18th enclosing report by contact no. 1101.

2. My contact no. 11 has given me by telephone the report of which copy is attached.

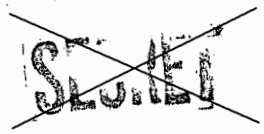
3. Note name as now given WENNER-GREN.

December 20, 1939.

1250 hrs.

(5)

~~SECRET~~



WENNER-GREN, AXEL

AXEL WENNER-GREN was born in Sweden in 1881. He attended the University of GREIFSWALD on the coast of POMERANIA, GERMANY and thereafter a commercial school in GERMANY at which time he learned to speak the language.

Thereafter he returned to SWEDEN and became head of the SWEDISH SEPARATOR COMPANY. He came to NEW YORK in 1908 and entered business. He was formerly chairman of the board of ELECTROLUX. He was succeeded in June 1938 by the present chairman MR. GROFF, but is believed to have retained a large interest. His name is not, however, shown as one of the directors. He is the actual head of the ANGLO-FRENCH BANKING CORPORATION since 1936 and through this he carries on large operations abroad. A recent check-up through confidential source indicated that he held 90% of the stock.

He is stated to have been aboard his yacht the SOUTHERN CROSS at the time of the rescue of the ATHENIA passengers.

The New York Times of September 19th records the arrival of the SOUTHERN CROSS at NASSAU.

December 20,1939.

1255 hrs.

SECRET

~~SECRET~~

WENNER-GREN, AXEL - NASSAU, B.W.I.

ELECTROLUX

1. Reference is made to reports of December 18th and 20th, and especially to statements made therein concerning interest of MR. AXEL WENNER-GREN in ELECTROLUX.

2. The following appeared in TIME MAGAZINE the week of SEPTEMBER 11th, 1939.

"AXEL LEONARD WENNER-GREN, 58, a tall, vigorous, pink-cheeked extrovert who speaks a dozen languages, is called 'Rockefeller of Sweden' because he gave $7,500,000 for a research institute, $100,000 for anti-aircraft batteries to defend Stockholm. The BOFORS COMPANY which make antiaircraft guns, is largely his. So is most of the world-wide ELECTROLUX COMPANY (refrigeration, vacuum cleaners). His lady is from Kansas City, Marguerite Liggett who studied opera singing in BERLIN. His yacht, one of the world's largest, was once owned by Flier Howard Hughes."

3. The ELECTROLUX interests are very wide spread, the main BERLIN office being at TEMPELHOF, OBERLANDSTRASSE 38, The main SWISS office is at URANIASTRASSE 40, ZURICH. On the SWISS directorate appears the name HARRY GILBERT FALKNER who is stated to be BRITISH and living in STOCKHOLM.

4. A HUGO WENNER-GREN lives in BERLIN, at KURFURSTENDAMM 63. No evidence has so far been obtained as to his connection with AXEL WENNER-GREN or with ELECTROLUX, but this is being followed up.

5. It is evident that owing to his extremely wide spread interests, MR. WENNER-GREN has almost unmatched facilities for collection of information.

ALL INFORMATION ON THIS PAGE IS CLASSIFIED SECRET UNLESS INDICATED OTHERWISE

December 27, 1939

1535 hrs.

SECRET

~~SECRET~~

WENNER-GREN, AXEL - NASSAU, B.W.I.

1. Further to reports on the above mentioned, a highly placed informant tells me that until quite recently this person was regarded as highly suspicious by persons in Great Britain.

2. He believes that at present WENNER-GREN'S attitude may have changed.

December 28, 1939.

1620 hrs.

(57)

Extract from no. 1101

"One house, for instance, called The Lynch Estate on Hog Island, across the harbour from Nassau has been let for the season for $15,000 to Mr. Wernergren. He is, as you know, the big Swedish Industrial man, connected with Electrolux, and it was his yacht that picked up some of the Athenia survivors."

December 16, 1939

CLASSIFIED AND
EXTENDED BY SPO TAP/jp 12/31/81
REASON
FOIA, B, 1
143
DATE
DECLASSIFICATION 12/11/91

~~SECRET~~

WENNER-GREN, AXEL

WENNER-GREN, HUGO

1. Reference is made to report of December 18th, 1939.

2. The cable mentioned therein was reported to the sender as undelivered as it was sent in error to BERMUDA. The service message was also undelivered as the sender had left BERLIN for NORWAY.

January 10, 1940

1900 hrs.

~~SECRET~~

WENNER-GREN, AXEL

WENNER-GREN, HUGO

1. Reference is made to report of December 27th, 1939, concerning the above mentioned persons.

2. HUGO WENNER-GREN of BERLIN is the principal owner of "ISOPRESSERK" a company making radio cabinets of unbreakable glass. He is a property owner in BERLIN.

3. AXEL WENNER-GREN is not known in BERLIN either as a relative or as an owner in this enterprise.

January 15, 1940

1640 hrs.

~~SECRET~~

WENNER-GREN, AXEL

1. Reference is made to report of January 15th on the above person.

2. Herewith please find report on ELECTROLUX COMPANY in SWEDEN, in which company the above mentioned man has a very large interest. See my report of December 27th, 1939; also, a report on the SWISS subsidiary.

3. The following is an abstract from another report dated May, 1930, on the same concern:-

" To avoid trade restrictions the company organized subsidiaries in England, France, Germany, U.S.A., Canada, Denmark and Australia. For the disposal of its output the concern has set up a world-wide selling organization.

Electrolux founded in 1910 and in 1928 a Holding Company was organized for the various production, selling and licencee subsidiaries. Specialized at first in the manufacture of vacuum cleaners in which branch they became world leaders. Later added wash-machines, filters, etc. to its products.

Paid dividends even during the depression years, for although the Servel Co. (Licencees in the U.S.A.) did not do very good business, on account of economic conditions in the U.S.A., the other subsidiaries offset this item.

Business in the current year has been good. The business prospects of the firm, though it has a firm foundation, is highly solvent and practically debt-free, depend very largely on political developments."

4. You will note that this concern offers remarkable possibilities for the transfer of information. It seems highly desirable that we should have further details as to MR. WENNER-GREN'S activities during the last war.

January 22, 1940

1520 hrs.

SECRET

Financial Developments:	1937	1936	1935	1934	1933	1932	1929
Gross operating profits Mill.S.Kr.	8.4	8.4	7.8	7.2	6.8	6.1	7.4
Capital Income Mill.S.Kr.	3.1	2.8	2.8	2.0	1.5	2.6	2.9
Total Receipts " " "	12.2	11.9	11.2	9.5	8.6	8.9	10.3
Net Profit " " "	9.2	8.9	9.9	7.9	7.2	7.0	8.5
Dividends per share S.Kr.	10.0	10.0	10.-	9.-	8.-	8.-	9.-
Dividends per share %	131/3	10	10	9	8	8	9

In 1937 the turnover increased considerably (25% in the Refrigerator Department); on account of the increased cost of operation in the parent Company, however, it did not result in profits; the capital income, however, which consists chiefly of dividends from the subsidiaries, points to the fact that a profit did result.

The dividend of 10 S.Kr. per share was maintained on the redemption in cash of reduced joint stock

(U)

Rate Fluctuations in Genf-

	1939 (up to June 9)	1937	1936	1935	1934	1933	1932
Highest Fr.	186	253	244	147	124	119	102
Lowest Fr.	142	187	145	110	102	87	80

) 1932-1937 Shares of 100 S.Kr. each - personal
1938 " " 75 " " "

Zurich, June 11, 1938

ALL INFORMATION ON THIS PAGE IS CLASSIFIED (S) UNLESS MARKED OTHERWISE

Financial Investigation Departmen

CLASSIFIED AND
EXTENDED
CEA
FOIA
DATE
DECLASSIFIED

SCHWEIZERISCHE BANKGESELLSCHAFT
(Swiss Banking Union)

ELECTROLUX COMPANY (Stockholm)

June 1938

Joint Stock as on December 31, 1937:

60,000 Shares A)
540,000 Shares B) at .75 S.Kr. each (Fully Paid) 45,000,000 S.Kr.

Voting Privileges: Shares A - 1 vote; Shares - 1/1000 vote.

Dividends for 1937: 13.33% (10 S.Kr.)

Quotation for B. Shares in Genf on June 9, 1938 - 156 Fr.
B. Shares are also quoted in Stockholm and in London.

Revenue on the basis of an exchange rate of 112 = 7.1% (coupons tax-free)

The Company was organized in 1910, and in 1928 it was changed to a Holding Company exclusively. The original product of the concern, the vacuum cleaner, enjoyed a constantly increasing demand as time went on, so that Electrolux now occupies a leading position in the world market. For some years past th concern has been interested i n the manufacture of Refrigerators, electrical Floor-Waxing machines, Wash-Machines, etc. While previously production was limited almost exclusively to Sweden, trade policy considerations made extensi international decentralization of production imperative; to-day there are factories in Germany, England, France, Canada, Denmark and Australia. In the U.S.A. Refrigerators are being manufactured through the intermediary of Servel Inc., licencees. To increase distribution, the Electrolux has set up a world-wide sales organization.

Summary of Financial Reports in Mill. S.Kr.

	1937	1936		1937	1936
Investments	14.6	13.4	Joint Stock	45.0	60.0
Reserves	31.9	21.0	Reserves	36.1	30.0
Debtors	40.9	41.0	Creditors	7.2	6.1
Securities	1.4	1.0	Redemptions	12.0	10.6
Cash	12.0	30.8	Various Liabilities	1.0	0.1
Total Assets	101.3	107.7		101.3	107.7

At the end of 1937 shares were redeemed on the basis of 25% of the origi nominal value of 100 Kronen. Notwithstanding the disbursement of 15 mi. S.Kr. in stock redemption, the solvency of the company is still high. company decided to take this step in spite of gr ng inventory and value of the investment points to a hopeful stication of the

~~SECRET~~

Report on Electro-Lux Co. Ltd., Zurich

To Mr. R. Lang,
76 Sonneggstrasse,
Zurich.

December 2.

CLASSIFIED BY SP7 DAB/RB
DECLASSIFIED OADR 4-7-89

The company is entered in the Trade Register of the Canton of Zurich und date of May 29, 1922.

The original Statutes of the company dated from March 28, 1922 and were la revised on February 2, 1934. The duration of the company is not limited. is organized for the purpose of manufacturing and selling electrical and other apparatus, and in particular household appliances. The joint-stock amount to 1,000,000 Fr. Distributed among 2000 personal shares of 500 Fr. each. The legally required notices appear in the Swiss Official Trade Gazette. The management committee consists of 1-9 members. At the present time the members of this committee are:-

Dr. Joseph Henggeler, attorney, of Unter-Aegeri, now in Zurich - President
Dr. Carl Wiesendanger, attorney, of and in Zurich;
Harry Gilbert Faulkner, Director-General, British citizen, in Stockholm.
Rudolf Schwenk, Austrian citizen, in Zurich - Director;
Dr. Arnim Schaufelberger, of Wald, in Thalwil,)
Hand Stucheli, of and in Zurich) Joint Proxies.

The aforementioned persons sign in twos, jointly.

The firm opened a branch in Bern in November 1935, under the name of "Electro-Lus Filiale, Bern" (E.L. branch), which, however, closed down on October 31, 1939.

According to information in the Official Trade Gazette under date of June 17, 1938 the Electro-Lux Co. Ltd. in Zurich revised its Statutes to conform with the new Bond regulations established at a general shareholders' meeting on March 4, 1938, according to which the resolutions of the company previously published were modified to make provision for sending company notices to shareholders by direct mail. The Managing Committee can, instead of or in addition to this method of communication, arrange for notices to appear in the Swiss Official Trade Gazette as the Company's official organ of publicity.

Further we refer you to the Expose furnished you in person on the subject of the parent Company in Stockholm, as well as to the Annual Report left with you for study.

CLASSIFIED AND
REASON FOR
FCIM, H, 1-2
DATE OF REVIEW FOR
DECLASSIFICATION 12/31/91

~~SECRET~~

DAT:DM

SECRET

65-4457-1

January 29, 1940

Brigadier General Edwin M. Watson
Secretary to the President
The White House
Washington, D. C.

SECRET

CLASSIFIED AND
EXTENDED BY 6P3 TAP/jp 12/11/81
REASON FOR EXTENSION
FCIM, II, 1.2.4. 1 & 3
DATE OF REVIEW FOR
DECLASSIFICATION 12/11/91

Dear General Watson:

I am attaching hereto a memorandum dated January 28, 1940, which outlines the results of a conference held in the Bureau with a representative of one of the allied governments. Although the plot outlined in this memorandum appears rather fantastic, I took the precaution of having it reduced to writing because the source from which it emanated has been found heretofore to be exceedingly reliable. The material, however, is of such potential interest that I wanted you to be informed concerning it, since I felt it was a matter that might be of interest to the President.

With assurances of my highest regards,

Sincerely yours,

1 ENCL

Enclosure

Personal and
Strictly Confidential

By special messenger

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Tour Room
Mr. Tracy

DECLASSIFIED BY SP3 MPC/tap
ON 4-7-89

RECORDED
&
INDEXED

Copies will be retained by FBI

SECRET

MAIL
JAN 30 1940
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
FEB 1 1940
U. S. DEPARTMENT OF JUSTICE

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
by: C39W47B40

EAT:DM

January 29, 1940

~~Personal and Strictly Confidential~~

~~SECRET~~

Colonel E. R. Warner McCabe
Assistant Chief of Staff
G-2, War Department
Washington, D. C.

Dear Colonel McCabe:

As of possible interest to you, I am transmitting herewith a copy of a memorandum dated January 28, 1940, which outlines the substance of a discussion held in the Bureau during the past week-end by a Bureau representative and an Agent of one of the allied governments. Feeling that the very substance of this material was of such a fantastic nature, I caused this material to be reduced to writing, since the source from which it emanated has heretofore been found to be exceptionally reliable. If there is any information contained in your files concerning Axel Wenner-gren, I would appreciate being furnished with a transcript of this information in order that this material may receive further consideration and attention. (U)

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director

CLASSIFIED AND
EXTENDED BY SPA TAP/jip 12/11/91
REASON FOR EXTENSION
FCIM, II, 1-2.4.2 1.4.3
DATE OF REVIEW FOR
DECLASSIFICATION 12/11/91

RECORDED 65-8857-2

FEDERAL BUREAU OF INVESTIGATION
3 FEB 1 1940
U.S. DEPARTMENT OF JUSTICE

By special messenger

COMMUNICATIONS SECTION
MAILED
JAN 30 1940
P.M.
FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE

copy encl retained in file

~~SECRET~~

Mexico, Feb. 23, 1942

2-28-42

Dear Allen:

ECONOMICS

Blow Up The bonanza was close but it blew up. The so-called one hundred million dollar syndicate of American businessmen, which had talked big but done little since the inauguration of Manuel Avila Camacho, had within its grasp some fat railway and highway construction contracts from the Mexican government. A syndicate source said the contracts totaled $178,000,000 including $40,000,000 for railroads, the rest to go for highways completely separte, it was said, from the three year $30,000,000 U.S. financed Pan-American highway project, provisions for which were put through last November.

Things were rolling along smoothly until a couple of months ago. It was reported that the syndicate had enlisted support from Axel Wenner-Gren the mysteriously moving Swedish industrialist and millionare. Wenner-Gren's interest in the venture was reported from syndicate sources to be 10,000,000 pesons (about $2,000,000). Wenner-Gren had become close friends with Gen. Avila Camacho, minister of communications and incidentally had the aye or nay on the contracts.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 12-11-81 BY SP2 TAP/MC

Then the blow fell, Wenner-Gren was blacklisted by the US state department. Sub-contracts had been let, workmen hired, equipment readied. Everything was frozen by Washington's move because Wenner-Gren was to have been the principal source of capital for the syndicate in its contracting operations.

Wenner-Gren protested the state department's action as unfair and unjust and demanded that reasons be stated or his name withdrawn. The state department, as was expected, stood pat. Gen. Maximino was not only shocked but embarrassed. Outwardly he did nothing but is was reported he was preparing to make a purely private inquiries in Washington to see exactly

how the land lay.

Subsequent developments are still beclouded in the haze from smokefilled rooms but about 10 days ago the syndicate's swath of contracts was cancelled and it was understood that there had been some hard feelings betwe en the syndicate and the ministry of communications, although syndicate sources protested that that was not true and even went so far as to venture that with some refinancing they might be able to salvage some of the contracts.

It is quite possible that the syndicate's original star-studded personnel has changed and that some reported in on the ground floor are no longer interested. What the syndicate's future operations in Mexico may be are not yet clear, but certainly current actions have been curtailed. The one tangible thing that the syndicate had, a private investment bank, called the Banco Continental, has reportedly been sold to local interests, headed b John O'conner, who continues as president of the organization.

After the Wenner-Gren financing faded, Hastings endeavored to get Reynolds & Company, New York ~~bxxxx~~ bankers, to step in and they sent a representive here but for some reason the cancellation of the contracts came too fast, before they had had a chance to study the project in detail.

The collapse can probably be directly attributed to the freezing of Wenner-Gren's funds and the lack of an alternative financial stock pile to draw form. The ministry of communications haste in cancelling the contracts was a little breath-taking and reasons for same ha e not been divulged. Syndicate sources report that about ten million dollars worth of the original was has been let to Mexican contractors but that the rest is still waiting.

Actually the syndicate's figure of $178,000,000 is believed to be a little astronomical. Better estimates on the total work fall slightly below one hundred million dollars.

But whether the syndicate gets in on it or not, in all probability

there will be more important road building contracts let by Mexico in the course of this year. Mexican government officials are privately hopeful that another U.S. loan--apart from the 30 million on the Pan American Highway--can be made available for this other construction.

Construction will probably be concentrated on the Mesican west coast, specifically on the highway from Nogales, Arizona to Guadalajara, which has a definite military significance and value, just as the U.S.-Canada Alaska highway has. U.S. military authorities are said to favor this construction.

The Mexican ~~argument~~ argument is that for such a project, American government funds should help. They may. There are fairly reliable reports floating around the communications ministry to the effect that Gen. Maximino plans to go to Washington this spring--in connection with Mexico's highway and railway building projects.

The syndicate has made no official statement recnetly and most of its memvers have been conspicuous b their absence since the first of the year. Hastings is here for the moment, aftermaking a couple of hasty trips to the United States in connection with his negotiations. George Creel is also here this week. Creel personally has repeatedly disavowed any direct connection with the syndicate although he has been a close friend of Hastings.

The syndicate at one time had vast ambitious plans for construction of hotel chains, service station chains, exploitations of tourist resorts, building of railboads, including a rapid transit system between Mexico City and the nearby, popular resort town of Guernavaca, etc.

Wenner-Gren meanwhile seems to be going nothing but restlessly waiting. He and his wife are ensconced in a sumptuous residence on El Paseo de la Reforma, but Wenner-Gren himself has made no statement since his protest against his blacklisting by the state department.

VENTURE American Rolling Mills is reported reliably to be seriously interested in erecting a full-fledged steel manufacturing plant in Mexico which will also do some manufacturing of tin plate. Details are lacking but some announcement may be made before the end of March. The venture has the nod of both the U.S. and the Mexican government.

M I S C E L L A N Y

PROMPT The American embassy is humming as it hasn't been for sometime. Ambassador Messersmith is inclined to make unscheluled tours through the now-huge building, or make unscheduled telephone calls to certain offices and officers to "see how things are going."

PLAY Despite the war, promoters are pressing plans to have dog racing and horse racing tracks operating in the federal district before this spring is over. It should be made clear that while parimutuel betting is legal in Mexico, other forms of gambling such as roulette, etc., are not.

One of the plans obviously is to capifalize on the fact that the war has restricted play & travel to this hemisphere and that Mexico will get her share. It is quite likely however that the romoters will find themselves without nearly so many customers as they's counted on because the war is doing more than restricting travel for for pleasure to the hemisphere, it has all but cut it down altogether. Mexico's current winter tourist season, while not a complete failure, has fallen far below that of last year and the summer season coming up --usually the big season--may be worse with tires and gasoline and cars becoming rarities and airplanes and trains carrying passengers with defense assignments, instead of tourists.

Both dog racing and horse racing have been tried in the capital before and failed. The altitude affects the animals. That is not an insurmountable obstacle but rather a question of careful conditioning. However the Mexican population of the federal district alone could hardly support the tracks. It would take the tourists. If the tourists don't come, the tra

fm of survivin g.

Nevertheless, there is a chance the horse track at least may get some official favor. One of President Manuel Avila Camacho's hobbies is horses. Moreover, it is reported that Ben Smith of Wall Street and reputedly possessi a formidable fortune, has become interested in the horse racing venture and may lend a hand.

-0-

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
by: C39W47B40

EAT:DM

~~SECRET~~

January 29, 1940

~~Personal and Strictly Confidential~~

~~SECRET~~

Mr. Adolf A. Berle, Jr.
Assistant Secretary of State
Department of State
Washington, D. C.

~~CLASSIFIED AND EXTENDED BY SPS TAP/gp 12/11/91 REASON FOR EXTENSION G FCIM, II, 1-2.4.2 1.3 DATE OF REVIEW FOR DECLASSIFICATION 12/11/91~~

Dear Mr. Berle:

I am enclosing herewith copy of a confidential memorandum dated January 28, 1940, which records the substance of a conference held by a Bureau representative with a representative of one of the allied governments during the past week-end. Because the very nature of the outlined plot appears so fantastic, I took the precaution of having the matter written up, since the source from which this material emanates has been heretofore found to be exceptionally reliable. I thought you would be interested in the substance of this information and I am also furnishing a copy of this memorandum to General Watson as of possible interest to the President. ~~S~~ (U)

If there is contained in the files of the State Department any information upon Axel Wenner-gren, I would appreciate being furnished with the substance of this information in order that further consideration can be given to this material.

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director

~~SECRET~~

Enclosure

RECORDED

~~SECRET~~

copies and retained Bu. file

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Ellis
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Tour Room
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
by special messenger
JAN 30 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

65-8857-3
FEDERAL BUREAU OF INVESTIGATION
3 FEB 1 1940
U.S. DEPARTMENT OF JUSTICE

DECLASSIFICATION AUTHORITY DERIVED FROM:
THE AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-28-2014
BY: C33W73K40

EAT:DM

SECRET

January 29, 1940

~~Personal and Strictly Confidential~~

~~SECRET~~

Rear Admiral Walter S. Anderson
Director
Naval Intelligence
Navy Department
Washington, D. C.

CLASSIFIED AND
EXTENDED BY SPZ TDP/jap 12/11/81
REASON FOR EXTENSION
FCIM, II, 1-2.4.2. 1 & 3
DATE OF REVIEW FOR
DECLASSIFICATION 12/11/91

My dear Admiral:

As of possible interest to you, I am transmitting herewith a copy of a memorandum dated January 29, 1940, which outlines the substance of a discussion held in the Bureau during the past week-end by a Bureau representative and an Agent of one of the allied governments. Feeling that the very substance of this material was of such a fantastic nature, I caused this material to be reduced to writing, since the source from which it emanated has heretofore been found to be exceptionally reliable. If there is any information contained in your files concerning Axel Wenner-gren, I would appreciate being furnished with a transcript of this information in order that this material may receive further consideration and attention. ~~S~~ (U)

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover
Director

SECRET

Enclosure

RECORDED

65-8857-4

FEDERAL BUREAU OF INVESTIGATION
3 FEB 1 1940
U.S. DEPARTMENT OF JUSTICE

~~SECRET~~

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Tour Room
Mr. Tracy
Miss Gandy

~~An special messenger~~

MAILED
JAN 30 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED 65-8857-5 February 16, 1940
JAC:MK

Colonel E. R. Warner McCabe
Assistant Chief of Staff
G-2
War Department
Washington, D. C.

Dear Colonel McCabe:

Receipt is acknowledged of your letter dated February 1, 1940, which sets forth additional information contained in your files pertaining to one Axel Wenner-Gren.

Your courtesy in furnishing this information to the Bureau is sincerely appreciated.

Sincerely yours,

John Edgar Hoover
Director

BY SPECIAL MESSENGER

COMMUNICATIONS SECTION
MAILED
FEB 16 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Mr. Room
Mr. Tracy
Miss Gandy

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/11/81 BY SP2 rmp/jp

2/15/40

EAT:DM

RECORDED & INDEXED

February 21, 1940

65-8857-7

Brigadier General Edwin M. Watson
Secretary to the President
The White House
Washington, D. C.

~~Personal and Confidential~~

Dear General Watson:

I am transmitting herewith copy of an undated communication which I have just received from Mr. Vincent Astor, which sets forth his observations concerning the yacht "Southern Cross" and its owner, Axel L. Wenner-Gren. You will recall that I have previously furnished to you data concerning Wenner-Gren and since I have recently discussed this matter with the President, I thought that both he and you would be interested in Mr. Astor's observations.

ENCLOSED

With assurances of my highest regards,

Sincerely yours,

RECORDED COPY FILED IN 62-48-13

Mr. Tolson
Mr. Nathan
Mr. E. A.
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hoover
Mr. Meintire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Tour Room
Mr. Traxy
Miss Gandy

Enclosure

By special messenger copies enclosed herewith

COMMUNICATIONS SECTION
MAILED
FEB 21 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
FEB 28 1940
U. S. DEPARTMENT OF JUSTICE

Tamm:

Please have copies made of this. Then send one copy to Gen. Watson for the President.

H

~~TRACED~~

2/20/40

RECORDED COPY FILED IN

FEDERAL BUREAU OF INVESTIGATION
FEB 28 1940
DEPARTMENT OF JUSTICE

COPY - 2/20/40

Yacht "Southern Cross"

Is a large, modern, luxurious, English-built steam yacht.

Gross tonnage -- 1851
Displacement -- (about) 2400
Oil burning - Twin screw
Cruising speed -- 12.5 knots
Maximum speed -- 16.5 knots (about)

During 1 1/2 hours spent aboard, I examined all launches, davits, boat hoisting gear, etc. These are all on the light side for so large a yacht. There is no possibility of stowing or lowering with present equipment any boat approaching in size the smallest motor torpedo boat.

I examined (while unattended) the aft end of the ship below decks. There are no mine ports, tracks, or other equipment for dropping mines. The long shallow-type of fan tail stern would prove most unsuitable. Mines would have to be stowed on deck where they would be conspicuous.

RECORDED & INDEXED

65-8857-7
FEDERAL BUREAU OF INVESTIGATION
4 FEB 29 1940
U.S. DEPARTMENT OF JUSTICE

Crew

All Swedes, with exception of one Finlander, and two Japanese (Stewards picked up a year ago in Japan on a round-the-world voyage).

The officers are of an exceptionally high type, and all of them are officers in the Swedish Naval Reserve. They are treated as social equals by the owner and mingle with guests. They are not reticent about the Athenia incident, and their stories agree. The ratings appear typical of any good Swedish crew, and keep their ship in a very clean condition.

Loss of "Athenia"

"Southern Cross" was on a voyage from Norway to Miami, Florida, with the owner and his wife aboard. Being fearful that he might become "tangled up" in the British "Shipping control regulations" Mr. Wenner-gren decided to pass North of Scotland rather than via the British East coast and English Channel.

RECORDED COPY FILED IN

Shortly before 9:30 P. M. (G. M. T.) a radio message was intercepted concerning the torpedoing of the Athenia, 65 miles away. The Southern Cross was making 12 knots, steam on 2 out of 3 boilers, sea rough, visibility fair. Due to the boilers being of "Scotch" type steam could not be raised quickly in third boiler and the Athenia was not reached until 2:30 A. M. All of the Athenia's boats that could be lowered had been, but they were mostly swamped.

About 100 persons were seen floating about, with life preservers, but many of these were dead.

The Southern Cross maneuvered alongside various of the life boats, taking off their occupants. The yacht lowered none of her boats, but did put several of her crew into a sea-worthy Athenia boat and used her to pick up people from the sea. One factor that made rescue difficult was that all of the survivors were heavily coated with fuel oil which made them slippery, and hard to hold. Many of the passengers (who had been sea-sick in bed) had on only night clothes which tore readily. Apparently one of the Athenia's fuel tanks was ruptured and her decks and boats covered with oil.

The Southern Cross picked up about 360 persons who were later transferred to the City of Flint.

The Athenia sank within sight of the Southern Cross.

Axel L. Wenner-gren

I have had two conversations with Mr. W-G. The following represent statements made by him, or my own conclusions concerning him:

Statements

Athenia was torpedoed or mined (latter unlikely). Not sunk by internal explosion as damage to double bottom fuel tanks too extensive.

Goering - If at head of German government would end war in a month. Hitler, Goebels, Himmler are all crack-pots. Knows Goering well and obviously admires him.

Believes Finns at most can hold out 2 months unless given great assistance.

Russia will attack Sweden at once if Finns defeated.

Germany, while unsympathetic to Russia (Goering very) will not permit Russia to be defeated.

Wenner-gren very pro-Scandinavia, anti-Russia; otherwise fairly neutral as concerns Allies vs. Germany.

He (W-G) has a small munition works in Finland and much wood pulp.

Thinks Sweden could put in 500,000 men (well armed) by Summer and that they would give Russians a bad time if Germany did not come in, which however she would.

Left Nassau Feb. 12th by air for New York.

Very reticent on following, but stated that recent advices indicate Russian-Finnish war "might" be stopped, and that he and associates "might" be the ones who could best do it.

He expects to do what he can from New York by cable, and if this fails will sail on "Rex" Feb. 17th. In this event, hopes to be back in Nassau in about eight weeks.

He has bought 400 acres on Hog Island (Nassau) and is putting in many improvements. Under normal conditions he would expect to spend the Summers in Sweden (where yacht lays up) and the Winters either in Nassau or cruising in tropical waters.

Aboard the ship he has an autographed photo of General Mannerheim whom he states he has known well for years.

Mrs. Wenner-gren was born an American.

<u>Conclusion (of this writer)</u>

Neither the "Southern Cross" nor her owner and crew were in any way concerned in the loss of the "Athenia." They did an efficient rescue job.

Respectfully submitted,

/s/ [redacted]

b7D

P. S. Wenner-gren made one curious statement as follows: After the Athenia rescues, and Southern Cross had proceeded, other torpedoings occurred to the Southward. W-G radioed the German Admiralty asking whether they would guarantee his safety if he stayed in those waters to effect further rescues. This was refused.

/s/ V. A.

Yacht "Southern Cross."

Is a large, modern, luxurious, English built steam yacht.

Gross Tonnage = 1851
Displacement (about) 2400
Oil burning, Twin screw.
Cruising Speed 12.5 knots
Max " 16.5 " (about)

During 1½ hours spent aboard, I examined all launches, davits, boat hoisting gear etc. These are all on the light side for so large a yacht. There is no possibility of stowing or lowering with present equipment any boat approaching in size the smallest motor torpedo boat.

I examined (while smoothness) the aft end of the ship below decks. There are no mine ports, tracks, or other equipment ~~about~~ for dropping mines. The long shallow type

Letter written 2-25-46 [illegible]

of fan tail stern would prove most unsuitable. Mines would have to be stowed on deck where they would be conspicuous.

Crew.

All Swedes, with exception of one Finlander, and two Japanese. (Stewards picked up a year ago in Japan on a round the world voyage.) The officers are of an exceptionally high type, and all of them are officers in the Swedish Naval Reserve. They are treated as social equals by the owner and mingle with guests. They are not reticent about Athenia incident, and their stories agree. The ratings appear typical of any good Swedish crew, and keep their ship in a very clean, smart condition.

"Southern Cross" was on a voyage from Norway to Miami, (Fla) with the owner and his wife aboard. Being fearful that he might become "tangled up" in the British "shipping control regulations" Mr. Wenner-Gren decided to pass North of Scotland rather than via the British East coast and English Channel.

Shortly before 9.30 P.M. (G.M.T) a radio message was intercepted concerning the torpedoing of Athenia, 65 miles away. Southern Cross was making 12 Knots, steam on 2 out of 3 boilers, sea rough, visibility fair. Due to boilers being of "Scotch" type steam could not be raised quickly in third boiler and Athenia was not reached until 2.30 A.M. All of the Athenia's boats that could be lowered had been, but they were mostly swamped.

About 100 persons were seen floating about, with life preservers, but many of these were dead. The Southern Cross maneuvered ~~alongside~~ alongside various of the life boats, taking off their occupants. The yacht lowered none of her boats, but did put several of her crew into a seaworthy Athenia boat and used her to pick up people from the sea. One factor that made rescue difficult was that all of the survivors were heavily coated with fuel oil which made them slippery, and hard to hold. Many of the passengers (who had been sea-sick in bed) had on only night clothes which tore readily.

Apparently one of the Athenia's fuel tanks was ruptured and her decks and boats covered with oil.

Southern Cross picked up about 360 persons who were later transferred to the City of Flint.

The Athenia sank within sight of the Southern Cross.

Axel L. Wenner-Gren:-

I have had two conversations with Mr. W-G- The following represents statements made by him, or my own conclusions concerning him.

Statements

Albania was torpedoed or mined. (latter unlikely) Not sunk by internal explosion as damage to double bottom fuel tanks too extensive.

Goering - if at head of German Gov. would end war in a month. Hitler, Goebels, Himmler are all crack pots. Knows Goering well and obviously admires him.

Believes Finns at most can hold out 2 months unless given great assistance.

Russia will attack Sweden at once if Finns defeated.

Germany, while unsympathetic to Russia (Goering very) would not permit Russia to be defeated.

Wenner-Gren very pro Scandinavia, anti-Russia. Otherwise fairly neutral as comes Allies vs. Germany.

He (W.-G.) has a small munition works in Finland, and much wood-pulp.

Thinks Sweden could put in 500,000 men (well armed) by ~~[illegible]~~ summer, and that they would give Russians a bad time if Germany did not come in, which however she would.

Left Warsaw Feb. 12th by air for New York.

Very reticent on following, but stated that recent advices indicate Russian-Finnish war "might" be stopped, and that he and associates "might" be the

ones who could best do it.

He expects to do what he can from New York by cable, and if this fails will sail on Rex Feb 17th. In this event, hopes to be back in Vernon in about eight weeks.

He has bought 400 acres on Hog Island (Vernon) and is putting in many improvements. Under normal conditions he would expect to spend the summers in Sweden (where yacht lays up) and the winters either in Vernon or cruising in tropical waters.

Aboard the ship he has an autographed photo of General Mannerheim whom he states he has known well 25 years.

Mrs Wenner-Gren was born an American.

Conclusion
(of this writer)

Neither the "Southern Cross" nor her owner and crew were in any way concerned in the loss of the "Athenia." They did an efficient rescue job.

Respectfully submitted
Vincent Cole.

P.S. Werner Gren made one curious statement, as follows:- After the Athenia rescues, and Southern Cross had proceeded, other torpedoings occurred to the Southward. W. G. radioed the German Admiralty asking whether they would guarantee his safety if he stayed in those waters to effect further rescues. Req was refused.

b7D

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
BY: C39W47B40

SECRET

LIB:MC

March 8, 1940

RECORDED 65-8857-10

Honorable Adolf A. Berle, Jr.
Assistant Secretary of State
Department of State
Washington, D. C.

Dear Mr. Berle:

I thought you might be interested in certain information just received from a reliable, but confidential, source.

It is reported that the Swedish heavy armament industry is overwhelmed with orders for equipment, a great deal of which is for export. The industry is capitalized at 27,000,000 crowns, and it is reported to have paid a dividend of eleven percent. It is further reported that the value of stock has increased 135 percent over previous quotations. There is some indication that the heavy armament industry in Sweden is linked with the Nobel group, although Krupp is indirectly an important stockholder. (U)

It is obvious that the moneyed interests in Sweden will have much to gain by the continuance of the war as they are reported to be supplying both Germany and Finland. It is, of course, necessary for Germany to bring the Finnish war to a conclusion quickly, while it is to the interest of those connected with the heavy armament industry in Sweden (U)

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

CLASSIFIED AND
EXTENDED BY SEE TMI/jp 12/11/81
REASON FOR EXTENSION
FCIM, II, 1-2.4.2 1.4.3
DATE OF REVIEW FOR
DECLASSIFICATION 12/11/91

SECRET

COMMUNICATIONS SECTION
MAILED
MAR 9 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
3 MAR 15 1940
U.S. DEPARTMENT OF JUSTICE

SECRET

SECRET

to prolong it. It is reported that the wealthy interests of Germany have different objectives from the Reich, and are pursuing these objectives in their association with Axel Wenner-Gren, a Swede, who seems to be one of the controlling stockholders in the Swedish armament industry. It is reported that Herman Goering, one of the controlling figures, is inclined to side with the wealthy people of Germany and may be double crossing his political associates. S (U)

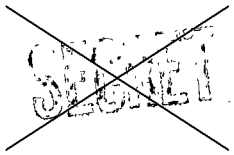
Sincerely yours,

J. Edgar Hoover

SECRET

LIB:MC

March 8, 1940



RECORDED
&
INDEXED

Brigadier General Edwin M. Watson
Secretary to the President
The White House
Washington, D. C.

Dear General Watson:

I thought you and the President might be interested in certain information just received from a reliable, but confidential, source.

It is reported that the Swedish heavy armament industry is overwhelmed with orders for equipment, a great deal of which is for export. The industry is capitalized at 27,000,000 crowns, and it is reported to have paid a dividend of eleven percent. It is further reported that the value of stock has increased 135 percent over previous quotations. There is some indication that the heavy armament industry in Sweden is linked with the Nobel group, although Krupp is indirectly an important stockholder. ~~S~~ (U)

It is obvious that the moneyed interests in Sweden will have much to gain by the continuance of the war as they are reported to be supplying both Germany and Finland. It is, of course, necessary for Germany to bring the Finnish war to a conclusion quickly, while it is to the interest of those connected with the heavy armament industry in Sweden ~~S~~ (U)

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Glegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

CLASSIFIED AND
EXTENDED BY SPA Tag/jp 12/11/81
REASON FOR EXTENSION
FOR 1 & 3
DATE OF REVIEW FOR
DECLASSIFICATION 12/11/91

COMMUNICATIONS SECTION
JUN 11 1940
FBI

SECRET

SECRET

to prolong it. It is reported that the wealthy interests of Germany have different objectives from the Reich, and are pursuing these objectives in their association with Axel Wenner-Gren, a Swede, who seems to be one of the controlling stockholders in the Swedish armament industry. It is reported that Herman Goering, one of the controlling figures, is inclined to side with the wealthy people of Germany and may be double crossing his political associates. S (U)

Sincerely yours,

J. Edgar Hoover

SECRET

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
by: C39W47B40

~~SECRET~~

WENNER-GREN, AXEL

1. Reference is made to previous reports on the above mentioned person and also to my report of today's date, 9 hrs.

2. I give you below translation of cable received from my correspondent in SWITZERLAND.

> "The SWEDISH heavy armament industry is overwhelmed with orders making much money, exporting a great deal, capital 27,000,000 crowns, dividend 11%, last known price stock 135%. Closely linked Nobel group although Krupp also indirectly important shareholder, among directors AXEL WENNER-GREN. Further details letter."

3. It is quite obvious from the above that the moneyed interests in SWEDEN will have much to gain by continuance of the war and are now supplying both GERMANY and FINLAND.

4. While, as my other report indicates, it is to the interest of GERMANY to bring the war in FINLAND to an end quickly, and indeed to bring any war to an end quickly, it is to the interest of MR. WENNER-GREN and his associates to prolong any war.

5. The indication is that the wealthy interests of GERMANY have different objectives from the REICH, and are pursuing these objectives in association with MR. WENNER-GREN. It would follow almost of necessity that GOERING is inclined to stand with very wealthy people and may be very well double crossing his associates.

Mr Algar
Mr Falgar

February 26, 1940

945 hrs.

Send Letters to Mr. Berle & Gen. Watson
3/8/40
L.I.B.

RECORDED & INDEXED
65-8857-10
FEDERAL BUREAU OF INVESTIGATION
3 MAR 15 1940
U.S. DEPARTMENT OF JUSTICE

ECLASSIFICATION AUTHORITY DERIVED FROM:
BI AUTOMATIC DECLASSIFICATION GUIDE
ATE 05-08-2014
Y: C39W47B40

105352

~~SECRET~~

WERNER-GREN, AXEL

A. B. BOFORS - Stockholm.

1. Reference is made to report of January 23th, 1940 on AXEL WERNER-GREN and to other reports.

2. I have from my European correspondent the report concerning the BOFORS COMPANY of which WERNER-GREN is the head. See paragraph 5.

In this connection it is essential to remember the close connection between GOERING and WERNER-GREN mentioned in para 6 of my report of January 23th and which is born out by the fact that GOERING sent for WERNER-GREN in order to stop the war in FINLAND.

The inevitable conclusion is that the BOFORS concern had been making money by selling armaments, etc., to the FINNS; that it became evident that a cessation of hostilities between RUSSIA and FINLAND was essential to the continuance of the war on the part of GERMANY. See report February 26th, para 4.

3. It is interesting to note that BOFORS has interests in the Swedish Vickers; hence a possible connection with the BRITISH Vickers.

4. It is also interesting to note the control of the Swedish airplane company. See report of December 13th with enclosure.

U.S. DEPT. OF JUSTICE
F.B.I.
APR 8 8 25 AM '40
DIVISION ONE
RECEIVED

RECORDED & INDEXED

65-8857-11
FEDERAL BUREAU OF INVESTIGATION
4 APR 10 1940
U.S. DEPARTMENT OF JUSTICE
SAMM ONE

5. The following is the report:

A. B. BOFORS, STOCKHOLM

This very large war materials concern was founded in 1873. Its capital at the end of 1914 was 4,200,000 Kr. and in 1917 the shareholders received a bonus of 1,800,000 Kr. Following increases of capital in 1920, 1921 and 1927 the present capital is 24,750,000 plus a sinking fund of 2,495,000 Kr. In 1937 the concern issued debentures, 3 1/4% (remb. 1937-1957) through the Skandinaviska Kredit A. B. and the Gutebergsbank. The issue was immediately covered by public subscription.

It is the only general industry established in Sweden. Its activity is very varied. However, the principal production consists in the manufacture of cannons and other war material, munitions etc. A large part of these is sold to foreigners. It has also a steel foundry, a department for machine tools, which makes screws, wheels for locomotives, tractors, bolts, automatic screws.

The Bofors obtains part of its raw materials from its own iron and steel works (Superior steel chrome nickel). The least important part of this production is sold to a third party.

Through its affiliated society the A. B. Bofors Nobelcrut - capital and reserves - 4,000,000 Kr. the Bofors obtains powder, gun cotton, 'nobilite' and other explosives. The Bofors controls equally the Tidaholmverke and the Hydquist & Holm A. B. - Capital 4,500,000 Kr. and 1774 employees and workmen. This manufactures electric and steam locomotives, railway goods, steam turbins, Diesel engines.

An other affiliated company, the Svenska Aeroplane A. B. produces aeroplanes for the Swedish government. It had at the end of 1937 6,900 workmen.

In the last 10 years the Bofors has specialized in the manufacture of anti-aircraft guns.

Towards the end of 1936 the Finnish government arranged with Bofors for the manufacture of cannons, after its licences. The credit obtained by Finland for this end had been Mf 50 millions.

On the eve of the Great War the Krupps works before liquidating the manufacture of cannons started negotiations with the Bofors in view of granting it patents, designs of construction - thus the experience of its designers etc. against a payment of 3,300 shares by the Bofors for a nominal value of 6,299,000 Kr.

According to its statutes the Bofors not being able to cede its own shares to a foreigner, it has, it seems, dealt with this embarrassing situation by creating a special Holding, the Bofors Interessenten, of date Feb. 1?, 1931. There is reason to believe that the Krupp Company always possesses these shares at least it seemed so till the end of 1937.

In the prospectus of the Bofors there are still some shares of Vickers A. B. which make one think of direct connection with the English Vickers. The Bofors has besides some mining shares of 'minerai' and thus exercises a certain control of Swedish exportations of that metal.

Here are some other statistical details on the Bofors.

The orders for armaments already of a record figure in 1938 increased still more during the months preceding the present war. It is said that the works are busy to full capacity for several years to come. The orders for the Swedish government are about 20% of the total.

The balance sheet at the end of 1938 gives record figures compared to 1937. The orders were increased 46% from 166 millions of Kr. in 1937 to 242 millions of Kr. in 1938, the employees and workmen increased from 5,499 to 6,?22.

The net profits in 1938 were 9,140,000 Kr. against 5,300,000 in 1937, the increase is then 73%. The dividend distributed has been limited, as for the preceding years to 11%, which only absorbs 2,720,000 - with a report again of

of 10,940,000 Kr. The state of liquidity has improved and the impression is justified that the administration of the enterprise is conservative and careful to consolidate the advances made.

Net profits 1937	Kr. 5,270,000	1938	Kr. 9,140,000
Dividend distributed	2,723,000	"	" 2,723,000

Here are the dividends for the last ten years.

1929	- 30	- 31	-32	-33	-34	-35	-36	-37	-38
5%	5%	3%	4%	7%	9%	11%	11%	11%	11%

The shares are quoted on the Exchange of Stockholm. The last movement obtained here was the 30 January dr. de 138-140%

1938	lowest	160%	highest	225%
1/1 - 31/1o 1939	low	182%	2	219%

Extract from balance sheet of Dec. 31, 1938

Active			Non active	
Immobilization	57,679,000		Capital	Kr. 24,750,000
Redemptions	26,294,000		Reserves	Kr. 2,495,000
		Kr. 31,385,000	Obligations	" 6,000,000
Affiliated shares		9,344,000	Nobelcrut	" 4,156,000
SyndicateNydqvist		4,059,000	a/c received	53,649,000
Merchandise, cash, debitors, orders in execution		69,953,000	cred. div.	17,672,000
			Sinking fund	1,500,000
			Report 1937	6,282,000
			Profits 1938	9,140,000

Conclusions The result of the preceding account shows an enterprise ~~m~~ the industrial position of which leaves nothing to be desired under the report of orders and the possibility of good earnings. It is always necessary to consider the exposed political situation of the Scandinavian countries which run the risk of being involved in a war and becoming a field of battle. An invasion on the part of the Reds is somewhat subordinated to

the possibility of the heroic little Finnish nation holding out victoriously till the end. Opposed to the Allies and the Germans these ~~[illegible]~~ same countries are faced with unforeseen complications, difficult to appreciate.

March 21, 1940
1700 hrs.

W. Algar

LOS ANGELES FIELD DIVISION

AT LOS ANGELES, CALIFORNIA. Will contact G2 at Los Angeles whatever information they may have in their possession relative subject and his yacht "Southern Cross" with the view of conducting such other investigation as the completion of the above lead suggests.

AT SAN PEDRO. Will determine upon what date the yacht, "Southern Cross" arrived and will conduct such investigation of the activities of its owner, ALEX WERNER-GREN, as is possible.

PENDING

105351

~~CONFIDENTIAL~~ 105345

development and is probably still there. There are without doubt some survivors of the Casement plot in the neighborhood and an ideal condition is thus set up for the operation of a submarine base. (I believe this has already been reported)

V. A wireless from Amsterdam dated February 15th reports the sinking of the ship BURGERDIJK by a submarine off Bishop's Rock, within easy reach of an Irish base. The Conning Tower bore the symbols X2 and the black silhouette of a spitting tom-cat. The captain and crew wore civilian clothes.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

It was suggested to me by my correspondent that this might be the same submarine which sank the Athenia or alternatively that there might be more than one submarine pirate. There is also a possible connection with the I.R.A. The whole of this would seem a completely fantastic speculation if it were not that my correspondent is an extremely level headed bank economist with considerable knowledge of European conditions. In spite of this I consider the idea should be discussed but would prefer to make no definite report.

February 17, 1940.

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
BY: C39W47B40

105344

NOTE. PIRATE SUBMARINES. ~~CONFIDENTIAL~~

I. Reference is made to previous report EXEL WENNER-GREN. S.S. ATHENIA, S.S. BURGERDIJK.

II. A highly confidential correspondent to whom I communicated some of my suspicions concerning the Athenia has made the following observations:-

During the last war SIR ROGER CASEMENT, later executed as a traitor, set out from Sweden for Ireland in a yacht named AUD, flying Norwegian colours and accompanied by a submarine. The object was to transport a cargo of arms to Ireland. This required considerable money which he personally had not.

Here we have an exact duplication of the procedure which I have suggested was followed at the time of the sinking of the Athenia. Three elements are definitely the same - (a) large financial resources, (b) a yacht, (c) a Swedish port.

N.B. (i) The connection between the yacht and the submarine which was certain in the Casement case is hypothetical in the Athenia case.

(ii) Mr. Axel Wenner-Gren was in Sweden at the time of the Casement case, was in Sweden when the Athenia sailed and could have benefitted financially in both cases.

Axel Wenner-Gren

III. Sir Roger Casement's pen name was SEAN BEAN BHOCHT. This is pronounced and written in English SHAN VAN VOCHT. The name occurs in the refrain of an old Irish song written at the time of an attempted invasion of Ireland by France which refers specifically to the River Shannon. Some connection between the Casement plot and the River Shannon is indicated.

IV. The AUD was sunk by a British naval vessel but Sir Roger Casement who had transferred to the submarine returned to BANNA near TRALEE close to the mouth of the Shannon. A large group of German engineers has been working on the Shannon hydro-electric

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
BY: C39W47B40

From

~~CONFIDENTIAL~~

OFFICE OF DIRECTOR, FEDERAL BUREAU
of
INVESTIGATION

105343

6
X

MEMORANDUM TO MR. TOLSON, MR. E. A. TAMM, and MR. PRYOR

Left with me by [redacted] (U)

b7D

J. Edgar Hoover
Director

CLASSIFIED AND
EXTENDED BY 12/11/91
REASON FOR EXTENSION
FCIM, H 1-2.4.2 1.3
DATE OF EXTENSION FOR
DECLASSIFICATION 12/11/91

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

RECORDED
&
INDEXED

65-7657-12

FEDERAL BUREAU OF INVESTIGATION
MAY 1 1940
U. S. DEPARTMENT OF JUSTICE

1 ENCL.

~~CONFIDENTIAL~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
BY: C39W47B40

65-8657 -13
JKM:JGM

May 24, 1940

~~CONFIDENTIAL~~

RECORDED

Special Agent in Charge
New York, N. Y.

~~PERSONAL & CONFIDENTIAL~~

RE: AXEL WERNER-GREN
Espionage

Dear Sir:

I am transmitting herewith copies of a [redacted] (U)

For your information, [redacted] has submitted some confidential data to me in this matter, and it is not believed that the subject is engaged in any activities inimical to the United States. However, in view of the [redacted] it is suggested that you contact [redacted] relative to the subject's present whereabouts, contacts and activities and thereafter, if advisable, make only the most discreet inquiries through other established sources if the subject is determined to be in New York City. (U)

b7D

b7D

In view of the high international status and reputation of the subject, I want to impress upon you the absolute necessity of avoiding any possibility of inquiry in this matter becoming known. (U)

Very truly yours,

John Edgar Hoover
Director

Enclosures

SEARCHED
INDEXED
SERIALIZED
MAY 25 1940

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Hendon
Mr. Lester
Mr. McIntire
Mr. Michels
Mr. Pennington
Mr. Rosen
Mr. Quinn Tamm
Pers. Files
Adm. Files
Your Room
Mr. Tracy
Miss Candy

JKM:JGM
65-8857 -13

May 24, 1940

~~CONFIDENTIAL~~

RECORDED

[redacted] (U)

~~CONFIDENTIAL~~

b7D

[redacted] (U)

Although there is some information in the files of this Bureau concerning this man, it does not appear to be sufficient for your needs, and I am accordingly instructing Mr. P. E. Foxworth, Special Agent in Charge of my New York Field Office to institute appropriate inquiries along the lines you suggest. (U)

You will be advised of information which might be of assistance to you in the near future, and in the meantime I wish to assure you of my desire to cooperate in all matters of mutual interest.

Sincerely yours, (U)

~~CLASSIFIED AND EXTENDED BY SEE TAO/jp 12/11/81 REASON FOR EXTENSION FCIM, II, 1-2.4.2 1.4.3 DATE OF REVIEW FOR DECLASSIFICATION 12/11/91~~

Dn
Sn
Tamm

COMMUNICATIONS SECTION
MAILED
MAY 25 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

~~CONFIDENTIAL~~

JM

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-07-2014
BY: C39W47B40

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

Federal Bureau of Investigation
United States Department of Justice

SECRET

PEF:KM

New York, N.Y.
June 4, 1940

Director
Federal Bureau of Investigation
Washington, D. C.

PERSONAL AND CONFIDENTIAL

RE: AXEL WENNER-GREN
Espionage.

Dear Sir:

Reference is made to your letter of May 24, 1940, concerning the above named person.

I have spoken with [redacted] who made an inquiry on Saturday and ascertained that Axel Wenner-Gren is in Nassau at the present time. He purchased an estate there about a year ago and spends considerable time there. His Post Office address in Nassau is Box 902. He does come into the United States on some occasions, usually flying up from Nassau and returning by the same means. b7D

Very truly yours,

P. E. FOXWORTH
Special Agent in Charge.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

CLASSIFIED AND
EXTENDED BY SPJ TAP/jp 12/14/81
REASON FOR EXTENSION
FCIM, H, 1.4.3
DATE OF ORIGINAL DECLASSIFICATION 12/14/91

[redacted]

RECORDED
&
INDEXED

65-28857-14

FEDERAL BUREAU OF INVESTIGATION
5 JUN 11 1940
U.S. DEPARTMENT OF JUSTICE

b7D

TOLSON TAMM CLEGG FINE

SECRET

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
BY: C39W47B40

HMK:DLS
65-8857-04

RECORDED

July 6, 1940

SECRET

b7D

[redacted] (U)

[redacted] (U)

It has been determined from a confidential source, the reliability of which is unquestioned, that during the first week of June, 1940, Axel Wenner-Gren was in Nassau, Bahama Islands. It was learned that he purchased an estate in Nassau approximately one year ago and spends considerable time there. His Post Office address in Nassau is Box number 902. He is known to make occasional trips to the United States, usually utilizing air travel in both directions. (U)

Assuring you of my desire to cooperate with you in all matters of mutual interest, I am

Sincerely yours,

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

CLASSIFIED AND
EXTENDED BY SP2 TAP/jp 12/14/81
REASON FOR EXTENSION
FCIM, II, 1-2.4.2 1+3
DATE OF REVIEW FOR
DECLASSIFICATION 12/14/91

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Rosen

COMMUNICATIONS SECTION
MAILED
JUL 8 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

SECRET

Detroit, Michigan
June 17, 1940

MEMORANDUM FOR THE SPECIAL AGENT IN CHARGE:

On May 28, 1940, a woman informant who declined to identify herself, telephoned the Detroit Office to submit information regarding AXEL WENNER GRENN. She stated that this man is the inventor of the Electrolux Vaccuum Cleaner and has other patents, and is a very wealthy Swede.

She stated further that early this year GRENN left Sweden to live in the United States, having previously lived for an extensive period in Germany.

Informant remarked that the publication "News Week" for March 18, 1940, stated that GRENN had been in conference with GOEBBELS, at the latter's invitation, and indicated that he was an intimate friend of GOEBBELS and had been called by the latter from the Bahama Islands. She further remarked that GRENN's yacht had been in the immediate vicinity of the Athenia when the latter was torpedoed, and she regarded all of these circumstances as worthy of suspicion.

She said, in all fairness, that she would have to state that GRENN had spoken at a meeting of the Electrolux executives in New York City around the end of March, 1940, at which time he spoke very favorably of the United States and suggested that his listeners were fortunate to be living in such a wonderful country.

WILFRED R. LOBRY
Special Agent

WRL:LTR

cc - Bureau

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 12/14/81 BY SP3TAP/jsp

RECORDED & INDEXED

14 X

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. McIntire
Mr. Nichols
Mr. Rosen
Mr. Quinn Tamm
Tour Room
Mr. Tracy
Mr. Schildecker
Miss Beahm
Miss Gandy

OFFICE OF DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

June 29, 1940

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 12/24/81 BY SP2 TAP/jmp

With reference to the attached letter from Secretary Morgenthau, an interesting bit of information was brought to me this afternoon by [redacted] [redacted] information that Axel Wennergen, the Swedish iron ore millionaire and owner of the yacht "Southern Cross" is involved in some way with German finance.

That he has a divided allegiance between Germany and Sweden. That he is [redacted] a personal friend of Goering to [redacted] personal knowledge and any contacts or activities of Wennergen and any of the officers of his boat the Southern Cross should be carefully noted and checked upon wherever it appears advisable to do so. [redacted] asked that his name be kept extremely confidential as he is also a personal friend of Wennergen and has known him well and favorably for many years. He considers Wennergen as a very capable and a very fine man but believes that he is in a position in connection with his iron ore mines and his financial income where he may be forced to do ~~certain things.~~

b7D

RECORDED & INDEXED

65-8857-15X

[redacted] suggests ~~Wennergen's correspondents~~ be watched if such an opportunity presents itself to this Government.

st

FEDERAL BUREAU OF INVESTIGATION
6 AUG 3 1940
U.S. DEPARTMENT OF JUSTICE
TOLSON ZAME FIVE

Suggest Ntl Def. Conference act on this today.

The Director mentioned it at the Conference this morning.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/12/81 BY SP2TAP/gf

7/16.

HMK:VGG

July 19, 1940

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
Los Angeles, California

RE: AXEL WINNER-GREN
Information Concerning

Dear Sir:

With reference to my letter of July 18, 1940, there is being transmitted herewith a copy of a memorandum dated July 18, 1940, containing additional information with regard to Axel Wenner-Gren.

Very truly yours,

John Edgar Hoover
Director

Enclosure

RECORDED 16

cc San Francisco (with enclosure)
Seattle " "
Juneau " "

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP2 TAP/jp

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

HHC:VCR

July 16, 1940

Mr. Tolson
Mr. Clegg
Mr. Tamm
Mr. Gurnea
Mr. Nichols
Mr. Rosen
Mr. Tracy
Miss Gandy

MEMORANDUM FOR THE DIRECTOR

This is to advise that I telephoned on the afternoon of July 16th SAC Cornelius of Los Angeles, with reference to the Wennergren matter. He was instructed to place a mail cover on Lundholm, to maintain a surveillance of Lundholm and of Wennergren and to check up on the boat, "Southern Cross", its arrival, the contacts made, the time of its departure and any information with reference to its possible destination.

I also instructed that all possible investigation be conducted concerning Wennergren, who was suspected of being a German Agent and to make certain that his contacts were thoroughly covered in Los Angeles, and on his departure from Los Angeles to notify the San Francisco Office.

Respectfully,

H. H. Clegg.

cc Mr. E. A. Tamm

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SDS TAP/jp

RECORDED

65-56671-17

FEDERAL BUREAU OF INVESTIGATION
1 JUL 20 1940
U.S. DEPARTMENT OF JUSTICE

TOLSON
TAMM

HMK:TD July 18, 1940

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
Seattle, Washington

Dear Sir:

There is being transmitted herewith for your information a copy of a memorandum dated July 18, 1940, containing information appearing in the Bureau files relative to Axel Wenner-Gren.

Very truly yours,

John Edgar Hoover
Director

Inclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP2 TAP/jp

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED 65-8857-18

FEDERAL BUREAU OF INVESTIGATION
3 JUL 24 1940
U.S. DEPARTMENT OF JUSTICE

BES:MT

New York, N. Y.
June 19, 1940

65 | 3023 | 6
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
JUN 19 1940
NEW YORK CITY FIELD OFFICE
ROUTED TO
FILE

MEMORANDUM FOR FILE:

RE: AXEL WENNERGREN
Espionage.

[redacted]

in New York, a contact of this office, and whose name should be kept in the strictest of confidence, and should not appear in reports, reported to me that his suspicions were aroused by the conversation of the above named individual, Axel Wennergren, who he has heard is very close to Hitler and definitely pro-Nazi. Wennergren and a man about 6' tall, heavy set, bald head, American, good breeding, who had a fair complexion and ruddy face, whose identity is wholly unknown to the informant, visited the 21 Club from 7:40 PM to 9:40 PM on the night of Friday, June 14th. Subject paid for the restaurant bill of $17.25, with a new $100 bill, serial #B01638257A.

Informant [redacted] was able to overhear the following part of the conversation between the two individuals at different times; under suitable pretext:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP2 TAP/gsp

AXEL - Gift through the Klosterkrone.
OTHER- Have you the radio equipment.
AXEL - If we have Swedish operator
AXEL - We will go ahead there according to plans
OTHER- Do you know definitely when you'll go.

Mr. Jack Allard, of Curtiss Wright Corporation, who was in the club at the time, pointed out Wennergren to [redacted] stating that Wennergren frequently visited Hitler and was supposed to be a very close friend of the latter's; also that Wennergren had been expelled from Sweden. He also mentioned that Wennergren was supposed to be the "head" of Electrolux Company.

The following description of Wennergren was furnished by informant [redacted] About 55 years of age, 6' tall, white hair, heavy build, erect carriage, has characteristic Swedish accent, ruddy complexion (quite sunburned), very well dressed, wore expensive clothes.

65-8857-18X

In view of the fact that nothing is known about this individual to this office at the present time, it is desired that a preliminary investigation be undertaken to determine his present address, activities, and his background, to ascertain whether he may be engaged in espionage or sabotage activities. A case should be opened and the matter assigned

Memo

as soon as practicable.

B. E. SACKETT
Special Agent in Charge.

2 cc Bureau

HMK:TD

July 18, 1940

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
Juneau, Alaska

Dear Sir:

There is being transmitted herewith for your information a copy of a memorandum dated July 18, 1940, containing information appearing in the Bureau files relative to Axel Wenner-Gren.

Very truly yours,

John Edgar Hoover
Director

I ENCLD

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-14-81 BY SP3 TAP/JFP

Inclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP3 TAP/JFP

Tolson
Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P.M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED

65-88571
FEDERAL BUREAU OF IN
JUL 24 1940
U. S. DEPARTMENT OF JU

HMK:TD:NTP

~~SECRET~~

July 18, 1940

MEMORANDUM

RE: AXEL WENNER-GREN

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 12/14/81 BY SP2 TAP/jip

~~CLASS. EXTD. BY~~
~~REASON-FCIM II, I-2.4.2~~
~~DATE OF REVIEW~~

According to available information, Axel Wenner-Gren was born in Sweden in 1881; he attended the University of Griefswald on the coast of Pomerania, Germany, and thereafter a commercial school in Germany. He then returned to Sweden and became head of the Swedish Separator Company. (S) (U)

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.~~

Axel Wenner-Gren proceeded to New York in 1908 and there entered into business. He reportedly married an American girl, the former Marguerite Liggette of Kansas City, who, it is reported, studied operatic singing in Berlin. (S) (U)

Information has been received that Axel Wenner-Gren was formerly Chairman of the Board of the Electrolux Company, world renowned manufacturers of refrigerators, vacuum cleaners and other products. Although reportedly succeeded in June of 1938 by the present Chairman of the Board, Mr. Groff, Wenner-Gren is believed to have retained a large interest in the Electrolux Company. He is reportedly the actual head of the Anglo-French Banking Corporation and through this source he carries on large operations abroad. Information was recently received that he owns 90% of the stock of this corporation. (S) (U)

Information has been received that Axel Wenner-Gren is called the "Rockefeller of Sweden" because he is believed to have given $7,500,000 for a research institution and $100,000 for anti-aircraft batteries to defend Stockholm. (S) (U)

According to available information, the Bofors Company, which is a large war materials manufacturing concern in Stockholm, Sweden, and which is reportedly the only general industry established in Sweden for the production of cannons and munitions, is largely Wenner-Grens' and he is the recognized head of this company. (S) (U)

It is interesting to note that information has been received from a highly confidential and usually reliable source, that Axel Wenner-Gren is closely associated with Field Marshal Goering of Germany, who is reported to have large Swedish munitions [illegible] association is allegedly borne out by the [illegible] (S) (U)

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

JUL 18 7 08 PM '40

~~SECRET~~

SECRET

fact that Goering reportedly sent for Wenner-Gren in order to request that he, Wenner-Gren, use his great influence to bring about a cessation of hostilities in the war between Finland and Russia. The inevitable conclusion to this incident, as stated by the confidential informant, is that the Bofors Company had been making large sums of money by selling armaments and munitions to the Finns and that a cessation of hostilities between Russia and Finland was essential to the successful continuance of the war with the Allies on the part of Germany. (U)

In this connection information was received from this same confidential source that the Swedish heavy armament industry is overwhelmed with orders for equipment, a great deal of which is for export. The industry is capitalized at twenty-seven million crowns and it is reported to have paid a dividend of 11%. It is further reported that the value of stock has increased 135% over previous quotations. Information was received that there is some indication that the heavy armament industry in Sweden is linked with the Nobel group, although Krupp is believed to be indirectly an important stockholder. (U)

The informant advised that it is obvious that the moneyed interests in Sweden had much to gain by the continuance of the Russian-Finnish War as they were reported to be supplying armaments and munitions to Finland, as well as to Germany in its war against the Allies. Consequently, Germany was interested in bringing about a quick cessation of hostilities in the Russian-Finnish War in order that it would receive maximum supplies of armaments and munitions from Sweden. (U)

Information has been received that Wenner-Gren left Sweden in his palatial yacht, the "Southern Cross", formerly owned by the American flyer Howard Hughes, just prior to the outbreak of the present European war, being allegedly apprehensive of German designs on Sweden. (U)

On September 3, 1939, the British owned SS ATHENIA was sunk. According to available information, the SOUTHERN CROSS (U)

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

SECRET

SECRET

was, at that time, on a voyage from Norway to Miami, Florida, with the owner, Axel Wenner-Gren, and his wife aboard. Being fearful that he might become "tangled up" in the British "shipping control regulations" Wenner-Gren is reported to have decided to pass north of Scotland, rather than via the British east coast and the English Channel. (U)

Information has been received that shortly before 9:30 P.M. (GMT) a radio message was intercepted by the radio operator aboard the SOUTHERN CROSS concerning the sinking of the SS ATHENIA, 65 miles away. The SOUTHERN CROSS reached the SS ATHENIA, according to available information at 2:30 A.M. (U)

Information has been received from a confidential source that the sinking of the SS ATHENIA may have been effected from the SOUTHERN CROSS. However, information received from another confidential source indicates that neither the SOUTHERN CROSS nor her owner and crew are believed to have been in any way concerned in the loss of the SS ATHENIA and that they did an efficient rescue job. (U)

It was determined from a confidential source that about 1939 Axel Wenner-Gren purchased an estate in Nassau, Bahama Islands, and has spent considerable time there during the past year. It was reported that he made occasional trips to the United States, usually utilizing air travel in both directions. (U)

According to available information, Axel Wenner-Gren has now moved all of the furnishings from his Nassau estate. Information has been received from a confidential source that he is presently en route to various points on the West Coast of the United States and to Alaska. In this connection, information has been received from a confidential source that Axel Wenner-Gren has transferred the registration of his yacht the SOUTHERN CROSS from a port in Sweden to a Panamanian registration.

According to available information, Wenner-Gren may now be acting as an agent of the German government. It was reported despite the fact that originally he may have had "anti-Nazi leanings" it is believed that due to the fact that he has extensive holdings in countries now under the domination of Germany, he may now be pro-Nazi.

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

SECRET

Memorandum re
Axel Wenner-Gren

-4-

~~SECRET~~

The yacht SOUTHERN CROSS arrived in Los Angeles at 9:45 A.M., July 16, 1940. Information has been received from a confidential source that the ship was boarded by United States Immigration authorities at 10:00 A.M. and it was found that the owner, Axel Wenner-Gren, his wife and 39 crew members, were on board. It was determined that Wenner-Gren and his wife have 60 day landing permits issued at Miami, Florida, at an unknown date. All crew members were granted landing privileges. Information was received from a confidential source that the SOUTHERN CROSS will leave Los Angeles on Thursday, July 18, 1940, for Treasure Island, San Francisco, California.

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

~~SECRET~~

~~SECRET~~

HMK:TD July 18, 1940

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
Los Angeles, California

Dear Sir:

There is being transmitted herewith for your information a copy of a memorandum dated July 18, 1940, containing information appearing in the Bureau files relative to Axel Wenner-Gren.

Very truly yours,

John Edgar Hoover
Director

Inclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP2 TAP/gp

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED

65-88574-21
FEDERAL BUREAU OF INVESTIGATION
3 JUL 24 1940
U. S. DEPARTMENT OF JUSTICE

HMK:TD July 18, 1940

AIR MAIL - SPECIAL DELIVERY

Special Agent in Charge
San Francisco, California

Dear Sir:

There is being transmitted herewith for your information a copy of a memorandum dated July 18, 1940, containing information appearing in the Bureau files relative to Axel Wenner-Gren.

Very truly yours,

John Edgar Hoover
Director

Inclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP3 MLP/pp

Mr. Tolson
Mr. Clegg
Mr. Foxworth
Mr. Ladd
Mr. Nathan
Mr. E. A. Tamm
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION
MAILED
JUL 19 1940
P. M.
FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE

RECORDED

65-8855
FEDERAL BUREAU
3 JUL
U. S. DEPARTMENT

Mr. Tolson
Mr. Clegg
Mr. E. A. Tamm
Mr. Foxworth
Mr. Nathan
Mr. Todd
Mr. Egan
Mr. Gavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

$2,000,000 Worth of 'Southern Cross'

Her Captain Describes 'Athenia' Incident

Axel Wenner-Gren's $2,000,000 pleasure yacht Southern Cross has a brand new, handsome young captain. Not many months ago, this young man, then a wireless operator, received a dramatic message, "SOS Athenia Torpedoed!"

Captain Hjalmar Rothman, 33, defying tradition by being born of a newspaper family in Karlstad, Sweden, wants it made plain that he does not say the Athenia was torpedoed, because that will be impossible to say for many years to come.

Master of a luxury ship that costs approximately $1000 a day to operate, Captain Rothman works for a man reputedly worth $10,000,000. Yet this does not keep the captain from exercising due Swedish economy in her operation.

According to Captain Rothman and all his crew, Wenner-Gren is the finest man in the world, not only to work for, but to have the privilege of knowing.

When the Southern Cross picked up the SOS of the stricken Athenia, Wenner-Gren rushed his vessel to her aid. Three hundred seventy-six survivors were picked up in the cold dawn.

"Disaster overtook the Athenia at 7:30 p. m., but no distress signals were heard until 9 p. m.," said Captain Rothman. "We were 65 miles away when I picked up her SOS. We arrived at her side at 2:30 a. m. The Southern Cross can do 16 knots.

"It was very dark, we started swinging in a wide outer circle, in order to pick up any survivors who might have drifted that far. Suddenly, we saw a huge black thing that listed to port, her stern down to one of the decks. She did not sink until 10 a. m. and we stayed on the scene until 4 p. m., after she sank, making sure that we had rescued as many survivors as possible."

Despite the fact that Captain Rothman has been a sailor since he was 14, this is the first time he has been in San Francisco, and he likes the city. His wife and 2-year-old son are in Stockholm.

The Southern Cross is of Panamanian registry since May, the time Rothman became her skipper, because of the exigencies of war. Wenner-Gren, his wife, his sister-in-law, the captain and 40 crew members will probably up anchor for Alaska today, for a leisurely cruise up the Inland Passage.

CAPT. HJALMAR ROTHMAN
He heard Athenia's SOS

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SP2 TAP/jy

65-8857 A

SAN FRANCISCO CHRONICLE

FORWARDED BY
SAN FRANCISCO DIVISION
JUL 24 [illegible]

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT LOS ANGELES, CALIFORNIA L. A. FILE NO. 65-1324

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
LOS ANGELES, CALIFORNIA	7-19-40	7-16-19-40	A. R. MILLER hlk

TITLE	CHARACTER OF CASE
AXEL L. WENNER-GREN.	ESPIONAGE.

SYNOPSIS OF FACTS:

Subject, a Swedish National, owner of the yacht SOUTHERN CROSS, arrived in yacht at Los Angeles Harbor 9:45 a.m. July 16, 1940, with wife and sister-in-law, GENE GAUTIA LIGGETT, and crew of 39. Surveillance maintained over yacht and residence of T. E. LUNDHOLM, local Electrolux manager, July 16, 17, and 18. Yacht with Subject and one additional guest, MOLLY BEATRICE McCOY, departed 12:30 a.m., July 19, destination San Francisco. Subject believed to have contacted movie actress GRETA GARBO while in Los Angeles; also believed to have been in communication with one BEN J. PIAZZI, talent scout, RKO Studios. San Francisco Office advised of full details.

- P -

Reference: Teletype to Bureau dated July 19, 1940.

Details: This is a joint investigation of Special Agent W. N. BOTT and the writer.

APPROVED AND FORWARDED: [signature] SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

22

2 1940

COPIES OF THIS REPORT
5 - Bureau
2 - San Francisco
1 - San Diego - Information
2 - O.N.I., San Diego
1 - G-2, San Francisco
1 - O.A.I., San Pedro
3 - Los Angeles

U. S. GOVERNMENT PRINTING OFFICE 7—2034

L. A. 65-1824

Instant investigation arose as a result of a telephone call received by Special Agent in Charge A. CORNELIUS, JR., from Assistant Director M. H. CLEGG of the Bureau, who called at approximately 1:15 P.M. on July 16, 1940, and advised that a Swede named WENNER-GREN, the owner of the yacht, "SOUTHERN CROSS," was believed to be a German agent. The "SOUTHERN CROSS" was reputed to be a very speedy vessel, and was originally registered under Swedish jurisdiction, but has been transferred to Panamanian registry. MR. CLEGG further advised that WENNER-GREN is the owner of the Electrolux Company (manufacturers of refrigerating equipment) and is a very wealthy individual who has been all over the world in the "SOUTHERN CROSS." He was believed by MR. CLEGG to be arriving aboard the "SOUTHERN CROSS" at Los Angeles harbor on Wednesday, the 17th or 18th of July.

According to the information received from MR. CLEGG, WENNER-GREN was scheduled to remain in Los Angeles for two days, then proceeding to San Francisco, and from San Francisco to Alaska. It was further reported that the yacht was planning to stop at San Diego but had not done so at the time of the call; further, that it had recently come through the Panama Canal and was believed to have stopped at a number of Mexican ports on its way to Los Angeles. It was also reported sold, but this is believed to be a cover-up and is not true.

He advised that upon WENNER-GREN'S arrival in Los Angeles he was scheduled to communicate with T. H. LUNDHOLM, 1154 North Wetherly Drive, Los Angeles, who will have some mail for him. MR. CLEGG further advised that the mail may already be in MR. LUNDHOLM'S possession, but instructed that a mail cover be placed on LUNDHOLM'S mail immediately. Instructions were also issued by MR. CLEGG that both LUNDHOLM and WENNER-GREN be placed under surveillance.

It was further learned that WENNER-GREN is a personal friend of HERMAN GOERING, and that there is every reason to believe that he is an agent of the German Government. He is alleged to have numerous interests in Swedish iron mines, and there was some indication that he may be serving as a German agent because of pressure being brought to bear on him. Nothing is known of LUNDHOLM other than that he is the individual whom WENNER-GREN will contact upon his arrival in Los Angeles.

Special Agent in Charge CORNELIUS immediately communicated with Special Agent in Charge R. B. LOOD, San Diego, and asked that he arrange with Coast Guard and Customs authorities to be notified of the arrival of the "SOUTHERN CROSS" in the San Diego harbor or any information received about her movements. The San Diego Office was advised that in the event the boat docked there, a careful check be made of the movements of persons on board.

Similar information had been received regarding Subject and the yacht, "SOUTHERN CROSS," by means of a communication from Confidential Informant "A." This information indicated that the "SOUTHERN CROSS," belonging to one AXEL L. WENNER-GREN, arrived at Cristobal, Canal Zone, from Miami, Florida, and allegedly touched at a Mexican port en route on July 4, 1940, and entered the Canal the same day; that the boat left Balboa, Canal Zone, July 5, 1940, for Los Angeles. Information from this source further reflected that the yacht had stopped at a Mexican port en route to Los Angeles although she had cleared for Los Angeles direct; further, that on board the boat were WENNER-GREN, his wife, MARGUERITA, and his secretary, GENE GAUTIA LIGNETT; further that this yacht operated under Panamanian registry from 1934 to 1936 when she was here before. In 1938 she had been changed to Swedish registry. This trip she has again changed to Panamanian registry.

Confidential Informant "A" further advised that in February of 1940 this boat had on board samples of machine guns, small arms, et cetera; and that WENNER-GREN invited certain individuals to come aboard and demonstrated his guns to them. Subject is reputed to be the president of the Bafors Munition Works in Sweden, manufacturers of supposedly the finest anti-aircraft guns in the world. He is also the president and majority stockholder of the Electrolux Company, and is a wealthy international politician. He is mixed up with WALLENBERGS and works closely with them. Informant stated also that he is a close friend of GOERING. It was the Subject, according to reports, who negotiated the terms with GOERING which has permitted SWEDEN to remain neutral. The last time WENNER-GREN came through the Canal, PAINE & WARLAW (Englishmen) were his agents; however, on instant trip, one HAL ELLIOT, whose actions are alleged to be questionable, is his agent.

Arrangements were made immediately to place a mail cover on the address of 1164 Wetherly Drive by Special Agent H. A. SMITH.

Special Agents D. W. HAGEE and W. M. BOTT contacted Commander L. L. BENNETT, U. S. Coast Guard, Los Angeles, who advised that he had received no reports relative to the arrival of the "SOUTHERN CROSS," but that he would immediately issue instructions to the Coast Guard Patrol boats to be on the lookout for the ship. Commander BENNETT communicated with Lieutenant SPENCER HEWINS at the Coast Guard Patrol Station, Patrol Base, San Pedro, California, who was also unable to furnish any information concerning the whereabouts of the "SOUTHERN CROSS."

Agents BOTT and MAGEE contacted MR. C. O. GREEN, U. S. Customs Service, San Pedro, California, who advised that he had received information that the "SOUTHERN CROSS" had already entered the Los Angeles Harbor on the morning of July 16, 1940, but that she had not been boarded by any Governmental agency owing to the fact that she had cleared at Miami, Florida, and had not made any stops en route to Los Angeles from that point. MR. GREEN also advised that he had heard a rumor to the effect that the "SOUTHERN CROSS" had been docked at the Los Angeles Shipyard and Dry Dock Corporation in the West Basin of San Pedro, this information being received approximately six hours after the arrival of the "SOUTHERN CROSS."

Agents MAGEE and BOTT proceeded immediately to San Pedro, California, and ascertained that the "SOUTHERN CROSS" was berthed in the shipyards of the Los Angeles Shipyards and Dry Dock Corporation. Owing to the fact that the shipyards are fenced in and guarded, it was impossible for Agents to get into the shipyards without disclosing their identity, and under the circumstances it was not deemed advisable to do so. For this reason the Agents stationed themselves on the roadway leading to the only entrance to the shipyards for the purpose of keeping all persons under surveillance who might enter therein.

Special Agent DENNIS and the writer immediately proceeded to the residence of T. E. LUNDHOLM, 1154 North Wetherly Drive, West Los Angeles, for the purpose of keeping that address under surveillance.

On arriving at San Pedro, California, Agents MAGEE and BOTT ascertained through Assistant Inspector in Charge E. M. DOLD, U.S. Immigration Inspector, that the "SOUTHERN CROSS" had docked in the Los Angeles Shipyards and Dry Dock Corporation at 9:45 a.m. that morning; that Immigration Inspectors ARCHIE COOM and R. M. TONG boarded the "SOUTHERN CROSS" and checked the crew, but did not check the owner or other passengers, owing to the fact that they had cleared at Miami and been given visitors' privileges for a period of sixty days.

The records of the local Immigration Service disclosed the following description of AXEL WENNER-GREN and his wife, this information being obtained when WENNER-GREN entered the United States aboard the S.S. "LUXLINE" on March 21, 1935:

L. A. #65-1824

Name	AZEL L. WENNER-GREN
Age	53 in 1935
Height	6' 1"
Complexion	Medium
Hair	Gray
Eyes	Blue
Birthplace	Uddevallor, Sweden
Last address	Stockholm, Sweden
Occupation	Industrialist
Local address	Ambassador Hotel
Name of nearest relative in Sweden	GENE GAUTIA, sister-in-law

Subject's wife's name is shown as MARGUERITE, age 43 in 1935, born Kansas City, Missouri, October 15, 1891.

Agents contacted Immigration Inspector R. D. TONG when he left the "SOUTHERN CROSS" at 9:30 p.m. on July 16, 1940, and were informed that the "SOUTHERN CROSS" had arrived at San Pedro, California, at 9:45 a.m. that morning; that she proceeded directly to the Los Angeles Shipyards and Dry Dock Corporation, where she berthed; that at 10:00 a.m. the vessel was boarded by Immigration Inspector ARCHIE COOM, who examined the papers of the crew, which consisted of thirty-nine employees; that COOM found the papers of twenty-six members of the crew to be regular in every respect and granted shore leave to the twenty-six; that the remaining thirteen were required to remain aboard for further check. Continuing, Inspector TONG stated that neither he nor Inspector COOM had checked or interviewed the owner of the yacht or his wife owing to the fact that they had been checked in by the Immigration Service at Miami, Florida, about June 15, 1940, and had been admitted to the United States on a sixty-day visitors' permit; and that in view of the fact that the sixty days had not yet elapsed, there was no occasion to contact or check these parties. TONG further stated that he saw no one aboard the "SOUTHERN CROSS" except the captain and the thirteen members of the crew, whom he checked. However, Informant advised that shortly before Agents' arrival at the ship, a limousine with a chauffeur had entered the shipyards and an elderly man with gray hair, who was alone, had boarded the "SOUTHERN CROSS" and had left a few minutes later and was driven away in the limousine. Informant stated that he paid no particular attention to this individual or to the car except that he did note that the gentleman who boarded the yacht was a distinguished looking man.

Inspector TONG permitted Agents to examine the ship's manifest which disclosed that HJALMAR ROTHAL was Master of the "SOUTHERN CROSS"; that the Master, as well as the thirty-nine members of the crew, were all aliens, consisting of Swedes, Danes, Finns, and two Japanese. TONG advised that during his stay aboard the yacht, the owner of the ship was not mentioned in any way. He suggested that Agents contact Immigration Inspector COOM for the information which COOM obtained while aboard the ship shortly after its arrival.

Inspector ARCHIE COOM, U. S. Immigration Service, was contacted telephonically at his home at Long Beach, California, and advised that he boarded the "SOUTHERN CROSS" at 10:00 a.m. on July 16, 1940; that he remained aboard the ship for approximately one hour, checking the crew; that he found the papers of twenty-six members of the crew to be O.K. and he gave those members of the crew shore leave. He stated that he did not see anyone aboard the ship except the crew, MR. ELOF A. OSTMAN, secretary to the owner, and MR. PATRICK OSBORNE, representative of the General Steamship Corporation, which was agent for the "SOUTHERN CROSS." Continuing, COOM stated that while he did not see the owner, he feels certain that the owner was aboard the ship while he was there during the morning of July 16, 1940, owing to the fact that he overheard MR. OSTMAN request MR. OSBORNE to cash a check for the owner; that when OSBORNE agreed to cash the check, OSTMAN left and was gone for a few moments and returned with the check, which he gave to OSBORNE. Informant stated that when OSBORNE saw the check, he advised OSTMAN that it would be impossible for him to cash the check and advised that it would be necessary to go to the bank to get it cashed. Inspector COOM stated he definitely had the impression from the conversation that the check was an unusually large one.

When questioned concerning any unusual circumstances surrounding the arrival and docking of the "SOUTHERN CROSS", Inspector COOM advised that instant case is the first time that the General Steamship Corporation has ever represented a privately-owned yacht; that the business of this concern has always been restricted to commercial vessels; that according to MR. OSBORNE, arrangements were made by the "SOUTHERN CROSS" for anchorage at the Los Angeles Shipyards and Dry Dock Corporation by radiogram while the "SOUTHERN CROSS" was en route to Los Angeles. MR. COOM further advised that the "SOUTHERN CROSS" was not undergoing any overhaul or repair work; and that the only explanation of the docking of the "SOUTHERN CROSS" in the Los Angeles Shipyards and Dry Dock Corporation was probably due to the fact that the vessel would be more secure and more inaccessible at that location because the shipyards are located in the extreme end of the West Basin. MR. COOM also advised that while he was aboard, a

representative of one of the oil companies called at the ship to inquire concerning the oil supply of the "SOUTHERN CROSS" and desired to know whether the "SOUTHERN CROSS" would be refueled from a tanker or whether it would pull down to the oil company's dock a short distance from its anchorage. Informant stated that at the time he thought it rather unusual that MR. OSTMAN ordered that a tanker be brought to the "SOUTHERN CROSS" instead of changing its position to an adjoining oil company dock in view of the expense entailed in securing fuel from a tanker.

Inspector COOK advised that Captain ROTHMAN requested the ship's agent to secure anchorage in San Francisco Bay as near to Treasure Island as possible; and that the Captain informed MR. COOK that according to tentative plans, the "SOUTHERN CROSS" would sail from Los Angeles Harbor on the evening or afternoon of July 18, 1940, for San Francisco.

Arrangements were made with Acting Inspector in Charge L. M. DOLD of the Immigration Service to have the ship's papers accompany the ship to San Francisco in order that it would be necessary for the San Francisco Immigration Inspectors to board the "SOUTHERN CROSS" at San Francisco immediately upon her arrival and before any of the crew or passengers would have an opportunity to disembark. Inspector DOLD also agreed to advise the Los Angeles Office any additional information he received concerning the ship or its passengers and to advise the Los Angeles Office of the ship's departure and the persons present aboard the ship at the time of departure. Inspector DOLD stated he would arrange to have an Inspector check the ship out at the time of departure from Los Angeles Harbor in order that definite information could be obtained regarding the parties aboard the ship at that time.

Agents LAGEE and BOTT maintained a surveillance over the entrance to the Los Angeles Shipyards and Dry Dock Corporation from 5:00 p.m. to 10:10 p.m., July 16, 1940, during which period of time there was no unusual activity aboard the ship or at the shipyards. No visitors arrived or left the ship during that period of time. The surveillance was resumed by Agents MAGEE and BOTT at 8:00 a.m. on July 17, 1940, and continued until 8:00 p.m. at which time agents were advised by MR. DOLD, of the Immigration Service, that he had secured information through a confidential informant of his to the effect that on the morning of the preceding day, July 16, 1940, after Immigration Inspector COOK had left the "SOUTHERN CROSS" and before Agents' arrival there, GRETA GARBO, the movie actress, had called at the Los Angeles Shipyards in her car and had taken Subject, his wife, and his wife's sister away with her in her car.

L. A. 62-1324

Agents MAGEE and BOTT contacted the Los Angeles Bureau Office and were advised that MISS GARBO is reportedly residing at 165 Mabery Road, Santa Monica, California. Agents MAGEE and BOTT immediately proceeded to this address, and upon noting that it was located in a rather mediocre neighborhood, casually contacted one of the neighbors in the vicinity, who advised that GRETA GARBO had never lived at this address, but that she had a friend who is a writer and who resided at 165 Mabery Road, and that MISS GARBO quite frequently visited this person.

Further exhaustive efforts were made by Special Agent in Charge ARTHUR CORNELIUS, JR., to obtain the address of GRETA GARBO, without success.

Agents MAGEE and BOTT left Santa Monica and returned to the Los Angeles Shipyards at San Pedro, California, arriving at 7:15 p.m. on July 17. Agents PARRY and HORN of the Los Angeles Office had arrived at the shipyards shortly before the first-mentioned Agents arrived. They advised that at approximately 7:00 p.m. that same day, the Buick 8 Sedan driven by a chauffeur without any other occupants in the car, had entered the shipyards. Agents PARRY and HORN advised that the 1940 California license number of this car was 9 X 9165. Agents PARRY and HORN returned to the Los Angeles Office and Agents MAGEE and BOTT remained on duty until 11:00 p.m. that night. At 9:30 p.m. that same evening, the Buick Sedan mentioned above left the Los Angeles Shipyards and it was noted that there were three men seated in the rear of the car. The dome light over the rear seat was burning and it was an easy matter for Agents to ascertain that none of the three men appeared to answer the description of WENNER-GREN in any detail. Two of the men were approximately 35 years of age, heavy set, fleshy faces, light hair, and the third man appeared to be approximately fifty years of age, sallow complexion, gray hair, and short in stature.

Photographs of WENNER-GREN had previously been furnished agents by S.A.C. CORNELIUS, these photographs having been obtained by Special Agent L. L. HALL through photographing a likeness of Subject WENNER-GREN in the March 18th issue of "Time" magazine at the Los Angeles Public Library.

Surveillance of the shipyards' entrance was resumed by Agent BOTT at 8:00 a.m. on July 18, 1940. No unusual occurences were noted until 11:30 a.m. when the Buick 8 Sedan bearing 1940 California license 9 X 9165 left the shipyards. This car was driven by a liveried

chauffeur and a man strongly resembling the photograph of WEMMER-GREN was observed riding in the front seat with the chauffeur. Two middle-aged women occupied the rear seat of the car. It should be stated that approximately thirty minutes before the departure of this car from the shipyards, while Agent BOTT was telephoning the Los Angeles Office, a black sedan occupied only by a chauffeur was noted entering the grounds of the Los Angeles Shipyards. Owing to Agent BOTT'S position at the time he was telephoning, it was impossible for him to note the license number of this car; but there is no question in Agent BOTT'S mind, but that it was the Buick Sedan bearing 1940 California license 9 X 9165. When this car left the shipyards Agent BOTT followed it from San Pedro to Torrance, California, to Hollywood, California, where the car drove into the Van Ness Street entrance of the Paramount Studios. After the car had entered the studio grounds, Agent BOTT realized that additional help would be needed to cover other entrances to the studio and advised the Los Angeles Office telephonically of the situation. Agents H. FRANK ANGELL, A. R. MILLER, and E. F. HAIN immediately joined Agent BOTT at the Paramount Studio, and the entrances to the studio were kept under strict surveillance until 6:00 p.m., but the car was not noted to reappear. At 6:00 p.m., reporting Agent, under pretext, checked the registry of cars entering the studio and noted that instant car was not recorded.

Upon instructions from S.A.C. CORNELIUS, arrangements having previously been made, reporting Agent contacted KEITH GLEEMAN, studio manager for Paramount Studios, and without disclosing the purpose of the inquiry, the studio lot was checked throughly, but no car bearing this license number was found on the lot. It was learned indirectly that so far as MR. GLEEMAN knew, MR. WEMMER-GREN had not visited the Paramount Studios on that date.

Agents ANGELL and BOTT then proceeded from the Paramount Studio to the Los Angeles Shipyards, San Pedro, arriving at the latter location at 7:00 p.m. and remaining until 12:30 a.m., July 19, 1940, when the "SOUTHERN CROSS" departed. During this period of time no visitors entered the shipyard; but at 11:30 p.m. the following-described automobiles left the shipyards: Buick Sedan bearing 1940 California license 9 X 9165; 1937 Packard Sedan bearing 1940 license 5 Y 340, registered to L. E. EDDINGTON, which according to the records of the California Motor Vehicle Department, is registered to MR. M. D. EDDINGTON at 283 Bel-Air Road, West Los Angeles; 1937 Chevrolet Sedan bearing 1940 California license 3 E 1165, which according to the California Motor Vehicle records, is registered to MRS. ALBERT DAVIS LASKER, Room 516, 6777 Hollywood Boulevard, Hollywood, California. It is noted that Agents were unable to observe the occupants of these cars owing to the fact that the area was in darkness and no effort was made to

follow the car owing to the fact that information had been received from the Los Angeles Office to the effect that the "SOUTHERN CROSS" was supposed to sail at 11:00 p.m. that night and Agents desired to contact the Immigration Inspector who was checking out the ship in order to ascertain definitely whether MR. WERNER-GREN and party were aboard.

At 12:40 a.m., July 19, 1940, Inspector JOHN A. JILES left the shipyards and was contacted by Agents ANGELL and BOTT and he advised that MR. WERNER-GREN, his wife, his sister-in-law, GERL GAUTLA, and a guest passenger by the name of MOLLY BEATRICE McCOY, who is an American-born citizen, 37 years of age, and who joined the party as a member of the crew at Los Angeles, were definitely aboard the ship when she left the dock at 12:30 a.m., July 19, 1940.

Information concerning the movement of this boat was telephonically furnished to the Special Agent in Charge at San Francisco, H. J. L. PIMPER, under date of July 19, 1940. Previous information had been furnished him concerning the entire case and the probable stopping of the yacht at San Francisco, together with definite instructions to conduct close surveillance of the Subject in the case. A teletype was furnished the Bureau under date of July 19, 1940, as well as San Francisco, furnishing the information relative to the departure time of the yacht and the passengers aboard.

In connection with license 1940 California 9 X 9165, it was learned that this license is issued to BEN J. PIAZZI, who resides at 740 Lillian Way, Hollywood, California, and is for a 1939 Buick Sedan. At the Retail Merchants' Credit Association, it was learned that BEN J. PIAZZI is a married man with one daughter, residing at the above address, is 50 years of age, and is a talent scout for the R.K.O. Studios; that his previous occupations have been talent scout for the Paramount Studios, Vice-President of the Major Studios from 1936 to 1940, former casting director at M.G.M., formerly connected with the Western Vaudeville Managers Association, and formerly manager of the Orpheum Theater in New Orleans; that he owns his home at the above address on Lillian Way, valued at approximately $12,000; that his credit record has been considered "spotty."

After the termination of the surveillance at the Paramount Studios at 6:00 p.m. on the evening of July 18, 1940, Special Agents W. H. OSBORNE and A. D. BORN were sent to the address of 740 Lillian Way. It was learned that the automobile belonging to PIAZZI was parked in the driveway all during the evening of July 18, and no activity took place at that residence during the course of the surveillance, and it was discontinued at approximately 1:00 a.m. on July 19, 1940.

In connection with T. E. LUNDHOLM, it was learned from the Postal authorities that he is the District Manager for the Electrolux Company, which apparently accounts for his connection with the Subject in this case. The City Directory lists T. E. LUNDHOLM, residence at 1154 Wetherly, business Electrolux Corporation, 408 Beaux Arts Building, 1709 West Eighth Street, Los Angeles. The Postman reports that a large volume of mail is received at the residence address of T. E. LUNDHOLM; and that it is believed that the business affairs of the district organization of the Electrolux Corporation are carried on at that place.

Special Agent S. E. DENNIS and reporting Agent looked over the premises at 1154 North Wetherly Drive on the afternoon of July 16, and it is located actually in the County of Los Angeles, one block from Sunset Boulevard, which is a busy thoroughfare. The house, however, is situated in what is considered a more or less exclusive section of Los Angeles, making a constant surveillance more or less difficult. The surveillance, however, was maintained by reporting Agent and Agent DENNIS on the night of July 16. There was noticed parked in the two-car garage a blue Buick Sedan, 1940 California license 7 X 7099. This car, it was learned, was registered to Mrs. T. E. LUNDHOLM. At approximately 6:00 p.m. on July 16, a coupe drove into the driveway of the LUNDHOLM residence, which bore 1940 California license 5 A 7100. This car is registered to T. E. LUNDHOLM, himself.

Reporting Agent and Agent DENNIS were joined by Special Agents V. I. PARRY and F. G. TILLMAN on the evening of July 16, 1940, and it was noted that a Plymouth Sedan, which bore 1940 California license 6 H 354, was parked in front of the LUNDHOLM residence and had been so parked since the start of the surveillance. It was ascertained that this car was registered to L. D. MEINFELDTER, 302 North Sweetzer. The above Plymouth, carrying two men and one woman, left the LUNDHOLM residence at 9:20 p.m. and drove directly to their address at 302 North Sweetzer, where they parked their car in a private garage and entered the apartment through a rear door. Agents PARRY and TILLMAN were then directed to proceed to the shipyards to join Agents MOORE and SCOTT.

Under date of July 17, 1940, a surveillance was maintained at the LUNDHOLM home by Agents R. FRANK ANGELI and J. G. LUNN.

At approximately 5:00 p.m. July 17, 1940, LUNDHOLM left his residence and proceeded directly to the Los Angeles Shipyards, which has been described above, arriving at about 6:00 p.m., and remaining approximately fifteen minutes, then returning to his residence at 1154 North Westerly Drive. On both trips he was followed by Special Agent E. FRANK ANGELL.

A surveillance was maintained at the LUNDHOLM residence until 1:00 a.m. on the morning of July 18, 1940.

After the conclusion of the surveillance at the Paramount Studios lot, Special Agent E. F. HAIR and reporting Agent again took up the surveillance at the LUNDHOLM residence, arriving there at approximately 6:30 p.m. There seemed to be no activity about the premises; however, the Plymouth Sedan bearing license number 6 N 354 was again noted in front of the house. No lights appeared in the windows until approximately 9:15 p.m. when a new Buick coupe without license plates drove into the driveway of the residence; and LUNDHOLM, together with one man and two women, got out and went into the house briefly, the one man and two women then entering the Plymouth sedan and driving away. The surveillance was maintained over the LUNDHOLM residence until all lights were out at approximately 10:30 p.m., July 18.

Arrangements were made through the Southern California Telephone Company to obtain toll calls from the residence of T. E. LUNDHOLM, and a large number of calls were made. From an inspection of those calls it is observed that they probably have to do with commercial affairs and are not being set out in this report. However, the memorandum containing the list is being maintained in the files of the Los Angeles Office.

As a result of the mail cover placed on the evening of July 16, a number of tracings were received at the Los Angeles Bureau Office. In all instances, with the exception of two, this mail originated from district offices of the Electrolux Corporation and were addressed to T. E. LUNDHOLM, 1154 North Wetherly Drive. However, an air mail letter was received under date of July 18, 1940, addressed to ATTL L. WEINER-GRAM, Esq., c/o T. E. LUNDHOLM, 1154 North Wetherly Drive. This bore the return address of CHADBOURNE, HUNT, JAECKEL, & BROWN, 70 Pine Street, New York City, New York. By reference to Martindale's Law Directory, it was learned that this is a firm of New York City attorneys.

The memorandum containing the list of mail wrappings is being maintained in the Los Angeles file of this case.

In an effort to locate the whereabouts of WEMMER-GRAN while the yacht was in the Los Angeles harbor, contact was made at the following Los Angeles hotels, with negative results: ALEXANDRIA, BEVERLY HILLS, BEVERLY-WILSHIRE, BILTMORE, CHRISTIE, CLARK, EMBASSY, HAYWARD, HOLLYWOOD ROOSEVELT, HOLLYWOOD PLAZA, LOCKLIN, LANDER, MAYFLOWER, ROOSEVELT HOLLYWOOD, THE TOWN HOUSE.

In connection with the yacht, "SOUTHERN CROSS," it was learned by Special Agent L. A. MOORE from the Marine Exchange that the same was built at Glasgow, Scotland, in 1930, by A. STEPHEN COMPANY, and that the 1938 owner of this yacht was HOWARD HUGHES, JR. Its dimensions are 220.5 x 40 feet. It is further related that this yacht is the boat which figured prominently in the rescue of the survivors of the Athenia disaster in the early months of 1940.

The Los Angeles newspapers, under date of July 18, 1940, contained accounts of the arrival of the "SOUTHERN CROSS" at San Pedro, California, and mentioned the fact that its owner, AXEL WENNER-GREN, was a well-known Swedish inventor--capitalist; and that the yacht had participated in the rescue of the survivors of the "ATHENIA" disaster; and that the owner of the vessel was accompanied by his American-born wife and her sister; and that the party was en route to British Columbia and probably Alaskan waters.

UNDERLINED ITEMS

SAN FRANCISCO OFFICE:

AT SAN FRANCISCO, CALIFORNIA:

Will maintain surveillance over subject WENNER-GREN while in the San Francisco Harbor near Treasure Island.

P E N D I N G

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
by: C39W47B40

CC-150

CHG. LL (U)

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

To: COMMUNICATIONS SECTION. JULY 29, 1940 (U)

Transmit the following message to:

SAC
SEATTLE

CODE (U)

AXEL WENNER-GREN, ESPIONAGE. AM INFORMED WENNER-GREN APPLIED TODAY TREASURY OFFICIALS FOR CLEARANCE TO PERMIT YACHT SOUTHERN CROSS TO VISIT VANCOUVER OR VICTORIA, BRITISH COLUMBIA, AND THEREAFTER KETCHIKAN, ALASKA. AM INFORMED TREASURY OFFICIALS INSTRUCTED FROM WASHINGTON CLEARANCE BE PERMITTED FOR VISIT TO CANADA BUT PERMISSION BE REFUSED FOR VISIT TO ALASKAN WATERS. (U)

HOOVER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

CLASSIFIED BY SP2 TAP/jp
REASON FOR CLASSIFICATION 2
DATE OF DECLASSIFICATION 12/11/91

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Nichols
Mr. Rosen
Mr. Tamm
Mr. Quinn Tolson
Mr. Coffey
Mr. Gurnea
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Carson
Miss Gandy

CODED AND SENT (U)

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
JUL 30 1940
TELETYPE

RECORDED

65-8857-24

FEDERAL BUREAU OF INVESTIGATION
2 JUL 30 1940 (U)
U.S. DEPARTMENT OF JUSTICE

SENT VIA _____ _____M Per _____

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

CHC:geg

July 25, 1940

Time: 10:30 P. M.

MEMORANDUM FOR MR. CLEGG

Special Agent Bobbitt, San Francisco, telephoned. He advised that Wenner Gren did not leave with the yacht Southern Cross at 6:00 P. M. Wenner Gren got off the yacht shortly before it left and entered a car registered to John D. Donovan, 5101 Harbord Drive, Oakland, California. Donovan is registered as a salesman; no further information has been ascertained concerning him as yet.

After leaving the yacht, Wenner Gren told a Customs guard he was taking a 6:45 plane to Seattle, from which place he was going to Victoria and Vancouver, British Columbia, and that he would return to San Francisco about August 15. However, Wenner Gren did not take the 6:45 plane to Seattle, inasmuch as he was at the Pacific Union Club, an outstanding mens' club, at the time of Bobbitt's call at 7:30 P. M., P.C.T.

Arrangements have been made so that United Airlines will contact the San Francisco office if Wenner Gren makes a reservation, and they will make a reservation for an Agent on the same plane.

Respectfully,

C. H. Carson

C. H. Carson

mcs

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY 6903 TAP/jp

RECORDED
&
INDEXED

65-8757-25
FEDERAL BUREAU OF INVESTIGATION
6 AUG 1 1940
U. S. DEPARTMENT OF JUSTICE

NICHOLSON TAMM FOXWORTH EVANS

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

HMK:VGG July 18, 1940

Mr. Tolson
Mr. Clegg
Mr. E. A. Tamm
Mr. Foxworth
Mr. Nathan
Mr. Ladd
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

MEMORANDUM FOR THE DIRECTOR

RE: AXEL WENNER-GREN
Information Concerning

With reference to my memorandum of July 17, 1940, there is being transmitted herewith a memorandum dated July 18, 1940, containing additional information with regard to Axel Wenner-Gren.

Respectfully,

H. H. Clegg

H. H. Clegg

ENCL

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SPD TAP/jyp

COPIES DESTROYED
328 SEP 1 1970

RECORDED & INDEXED

65-8857-26
FEDERAL BUREAU OF INVESTIGATION
6 AUG 2 1940
U. S. DEPARTMENT OF JUSTICE

TOLSON
TAMM
FOXWORTH

July 18, 1940

MEMORANDUM

RE: AXEL WENNER-GREN
Information Concerning

According to available information, the yacht SOUTHERN CROSS arrived at Cristobal, Canal Zone, from Miami, Florida, on July 4, 1940, and transited the Canal the same day. The ship cleared from Balboa, Canal Zone, on July 5, 1940, direct for Los Angeles, California, although it is now reported that she stopped at an unnamed Mexican port enroute. On board the ship at the time she passed through the Panama Canal were Axel Wenner-Gren, his wife Marguerita, and his confidential secretary, Gene Gautia Liggett. These were reportedly the only passengers.

Information has been received that the SOUTHERN CROSS operated under Panamanian registry from 1934 to 1938. She was reportedly changed to a Swedish registry in 1938. At the present time she is again under Panamanian registry.

According to available information, the SOUTHERN CROSS also passed through the Panama Canal on February 10, 1940, from Callao, Chile. At that time it is reported that she had aboard a number of samples of machine guns and small arms. Axel Wenner-Gren reportedly invited certain individuals to come aboard the SOUTHERN CROSS at which time he allegedly demonstrated the guns to them.

Information has been received from a confidential source that until recently two Englishmen, one Paine and one Warlaw, were agents for the Wenner-Gren interests in the city of Panama. However, on his recent trip there it was reported that one Hans Elliot, head of the Elliot Shipping and Land Company of the city of Panama, was his agent. According to available information, the activities of Hans Elliot are definitely questionable. Information has been received that he may be a German agent.

"This information was obtained by Supervisor Kimball from the files of G-2 and the State Dept. 7/14/43 Kimball"

COPIES DESTROYED
328 SEP 1 1970

Information has been received from a confidential source that Axel Wenner-Gren is a very close personal friend and business associate of Axel Wallenberg, former Swedish Minister to the United States and later Swedish Minister to Berlin, Germany. It has been reported that Wallenberg is now very pro-German.

According to available information, Axel Wenner-Gren and his wife are close personal friends of movie actress, Greta Garbo. It is reported that she visited with the Wenner-Grens at their estate in Nassau, Bahama Islands, while on a vacation cruise during the past year.

Information has also been received that Axel Wenner-Gren is a close personal friend of writer Fannie Hurst of New York. She reportedly arranged an interview had by Wenner-Gren with President Franklin Delano Roosevelt some time in December, 1936, or January, 1937.

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
BY: C39W47B40

DECODED COPY (U)

FBI SAN FRANCISCO 7-21-40 1-10PM PST RMH (U)

DIRECTOR

ALEX WENNER GREN, ESPIONAGE. SUBJECTS YACHT ARRIVED AT PIER 41, SAN FRANCISCO, ONE THIRTY PM TODAY, HE VISITED THE FAIR ON TREASURE ISLAND AND CONTACTED A. DOUGLAS MCBRIDE AN ELDERLY WEALTHY RETIRED CONTRACTOR. IDENTITIES OF TWO WOMEN AND TWO MEN WHO WENT ABOARD THE YACHT AT DINNER HOUR TONIGHT WILL BE DETERMINED. INTERCEPTED RADIO MESSAGE FURNISHED TELEPHONICALLY TO BUREAU. SURVEILLANCE BEING CONINUTED. (U)

N. S. L. PIEPER

END

OK FBI WASH DC GMC

RECORDED & INDEXED

65-8857-27

FEDERAL BUREAU OF INVESTIGATION
6 AUG 3 1940
U.S. DEPARTMENT OF JUSTICE

CLASSIFIED AND EXTENDED BY SP2 TAP/jp
IN ACCORDANCE WITH EXEMPTION CATEGORY FOIPA, 1,2,4,2
DATE OF ENTRY FOR DECLASSIFICATION 12/31/91

COPIES DESTROYED
328 SEP 1 1970 (U)

Called Mr Weber as Mr Belmont was

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT San Antonio, Texas. SA FILE NO. 65-609

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
San Antonio, Texas.	7/20/40	7/8,9/40	H. G. FOSTER.

TITLE	CHARACTER OF CASE
ALEX WERNER-GREN	ESPIONAGE.

SP&TAP/

SYNOPSIS OF FACTS:

ALEX WERNER-GREN, of Swedish nationality owner of the Electrolux Co. and Swedish Bofors Munition works, left Balboa, C.Z. for San Pedro, California on July 5, 1940 with no stop scheduled between. Mr. STEVENSON, Chief of Customs Balboa, C.Z., advised he had information that subject had arms aboard his yacht, "Southern Cross," and that he was to stop either at Mazatlan or Manzanillo, Mex. Major CARTER of G2 also aware of above yacht and stated that he had informed G2 in Los Angeles. SAC G. T. JONES, at Mexico City, D.F., advised of above.

- P -

DETAILS:

This report was predicated upon information furnished by Chief of Customs STEVENSON and Major CARTER of G2 at Balboa, C.Z. More detailed information could not be ascertained at time of interview as reporting agent was informed of the facts contained herein as he was departing for his official headquarters.

As the writer was preparing to depart from the airport at Balboa, C.Z. Mr. STEVENSON, Chief of Customs, Balboa, C.Z., advised that ALEX WERNER-GREN, of Swedish nationality and owner of Electrolux Company and Swedish Bofors Munition Works in Sweden, had left Balboa, C.Z. on July 5, 1940. Mr. STEVENSON

APPROVED AND FORWARDED: Geo. T. Jones SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

28

COPIES OF THIS REPORT

3 Bureau
2 Miami
2 Los Angeles
3 San Antonio

advised that subjects left in his yacht, "The Southern Cross," Panamanian registry, for San Pedro, California with no Schuduled stops between.

Mr. STEVENSON advised, however, that he had information that the yacht had arms aboard and that it was going to stop either at Mazatlan, Mexico or Manzanillo, Mexico. STEVENSON also stated that subject was an international politician and was reputed to be a close friend of the Nazi learder GOERING.

Major CARTER, of G2 stationed at Balboa, C.Z., also called reporting agentat the airport and mentioned the above. He was unable to give any further information than that outlined by Mr. STEVENSON but stated that he had informed G2 at Los Angeles, California of the departure of the yacht, "The Southern Cross", from Balboa, C.Z.

AT MEXICO CITY, D.F.

SAC G. T. JONES was informed of the above details and requested to ascertain, if possible, if the above mentioned yacht stopped either at Mazatlan, Mexico or Manzanillo, Mexico.

UNDEVELOPED LEADS

MIAMI FIELD DIVISION

AT BALBOA, C.Z. Will request Captain McINTIRE, Chief of Civil Intelligence, to conduct a discreet inquiry into the registry of the yacht, "Souther Cross" with the Panamanian Government. Also to secure any other informat on available relative to subject and his activities, if any, in Panama.

AT LOS ANGELES FIELD DIVISION

AT LOS ANGELES, CALIFORNIA. Will contact G2 at Los Angeles for whatever information they may have in their possession relative to subject and his yacht, "Southern Cross". Will conduct such other investigation as the completion of the above lead suggests.

AT SAN PEDRO.

Will determine upon what date the yacht,"Southern

Cross" arrived and will conduct such investigation of the activities of its owner, ALEX WERNER-GREN, as is possible.

SAN ANTONIO FIELD DIVISION

AT SAN ANTONIO. Will report the results of the inquiries made by SAC G. T. JONES at Mexico City,D. F.

PENDING.

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-08-2014
BY: C39W47B40

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
WASHINGTON, D. C.
JUL 19 1940 (U)

TELETYPE

Kem Kimball
Belmont

O

FBI LOS ANGELES 7-19-40 ONE PM AB (U)

DIRECTOR

AXEL WENNER-GREN, ESPIONAGE. SUBJECT LEFT ON SOUTHERN CROSS TWO THIRTY AM THIS DATE FOR SAN FRANCISCO ACCOMPANIED BY WIFE MARGUERITE, GENE GANTIA LEGGETT AND MOLLY BEATRICE MCCOY, LATTER TWO AMERICAN CITIZENS AND GUESTS OF OWNER, BUT ARE CARRIED AS EMPLOYEES. ARRANGEMENTS MADE THROUGH GENERAL STEAMSHIP COMPANY FOR ANCHORAGE TERMINAL ISLAND. SAN FRANCISCO NEXT PORT OF CALL, BUT EXACT TIME OF ARRIVAL UNKNOWN. SAN FRANCISCO ADVISED TELEPHONICALLY. (U)

CORNELIUS

END

OK FBI WASH DC JAH (U)

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.~~

~~CLASSIFIED AND EXTENDED BY SPA TAP/ 12/14/81
REASON FOR EXTENSION FCIM, II, 1-2.4.2
DATE OF REVIEW FOR DECLASSIFICATION 12/14/91~~

RECORDED & INDEXED

65-8857-29
FEDERAL BUREAU OF INVESTIGATION
6 AUG 3 1940 (U)
U. S. DEPARTMENT OF JUSTICE

COPIES DESTROYED
328 SEP 1 1970 (U)

Federal Bureau of Investigation
United States Department of Justice
Los Angeles, California
July 22, 1940

Director
Federal Bureau of Investigation
Washington, D. C.

CONFIDENTIAL

Dear Sir:

RE: AXEL L. WENNER-GREN
ESPIONAGE

Reference is made to the report of Special Agent A. R. MILLER, dated at Los Angeles, California, July 19, 1940.

This is to advise that the person referred to therein as Confidential Informant "A" is Major JOHN H. WILSON, Assistant Chief of Staff, G-2, Presidio, San Francisco, California.

Very truly yours,

Arthur Cornelius, Jr.

ARTHUR CORNELIUS, JR.
Special Agent in Charge

ARM/hlk
65-1824

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/14/81 BY SPD TAP/jmp

65-8857-29X

RECORDED
&
INDEXED

FEDERAL BUREAU OF INVESTIGATION
4 AUG 2 1940
U S DEPARTMENT OF JUSTICE
CLEGG FIVE

RECORDED COPY FILED IN

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

HMK:TD

July 17, 1940

Mr. Tolson
Mr. Clegg
Mr. E. A. Tamm
Mr. Foxworth
Mr. Nathan
Mr. Ladd
Mr. Egan
Mr. Glavin
Mr. Nichols
Mr. Hendon
Mr. Rosen
Mr. Tracy
Miss Gandy

MEMORANDUM FOR THE DIRECTOR

Re: Axel Wenner-Gren

There is attached hereto a memorandum setting forth information contained in the Bureau files pertaining to Axel Wenner-Gren.

For your further information, the yacht SOUTHERN CROSS arrived at Los Angeles at 9:45 A. M., July 16, 1940. The ship was boarded by immigration authorities at 10:00 A. M. and it was found that the owner, Axel Wenner-Gren, his wife, and 39 crew members were on board. Both Wenner-Gren and his wife are in possession of 60-day landing permits issued at Miami, Florida, at an unknown date. The crew members of the yacht have been granted landing privileges.

Information has been received from a confidential source that one T. E. Lundholm, 1154 North Weatherly Drive, Los Angeles, California, has been receiving mail for Axel Wenner-Gren and will undoubtedly be contacted by him. The files of the Bureau reflect no previous information relative to Lundholm.

The present whereabouts of Wenner-Gren is not known. Arrangements have been made with the U. S. Coast Guard at Los Angeles to make a routine check of the yacht SOUTHERN CROSS sometime this afternoon, to determine the whereabouts of Axel Wenner-Gren.

I have also instructed SAC Cornelius to place a surveillance on Wenner-Gren should he come ashore.

T. E. Lundholm has been under surveillance since last night, July 16, 1940, by the Los Angeles Office.

Information has been received that the SOUTHERN CROSS will leave Los Angeles sometime Thursday, July 18, 1940, for Treasure Island, San Francisco, California.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE BY [illegible] 10/14/76

1 ENCL. FM

65-[illegible]-730

FEDERAL BUREAU OF INVESTIGATION
JUL 30 1940
U. S. DEPARTMENT OF JUSTICE

RECORDED & INDEXED

TOLSON
TAMM
FOXWORTH
FIVE

I have instructed Supervisor H. M. Kimball to contact the State, War, and Navy Departments, in order to obtain any information those departments may have concerning Axel Wenner-Gren and T. E. Lundholm.

Respectfully,

H. H. Clegg

H. H. Clegg

Inclosure

cc-Mr. E. A. Tamm

July 18, 1940

MEMORANDUM

RE: AXEL WENNER-GREN

According to available information, Axel Wenner-Gren was born in Sweden in 1881; he attended the University of Griefswald on the coast of Pomerania, Germany, and thereafter a commercial school in Germany. He then returned to Sweden and became head of the Swedish Separator Company.

Axel Wenner-Gren proceeded to New York in 1908 and there entered into business. He reportedly married an American girl, the former Marguerite Liggette of Kansas City, who, it is reported, studied operatic singing in Berlin.

Information has been received that Axel Wenner-Gren was formerly Chairman of the Board of the Electrolux Company, world renowned manufacturers of refrigerators, vacuum cleaners and other products. Although reportedly succeeded in June of 1938 by the present Chairman of the Board, Mr. Groff, Wenner-Gren is believed to have retained a large interest in the Electrolux Company. He is reportedly the actual head of the Anglo-French Banking Corporation and through this source he carries on large operations abroad. Information was recently received that he owns 90% of the stock of this corporation.

Information has been received that Axel Wenner-Gren is called the "Rockefeller of Sweden" because he is believed to have given $7,500,000 for a research institution and $100,000 for anti-aircraft batteries to defend Stockholm.

According to available information, the Bofors Company, which is a large war materials manufacturing concern in Stockholm, Sweden, and which is reportedly the only general industry established in Sweden for the production of cannons and munitions, is largely Wenner-Gren's and he is the recognized head of this company.

It is interesting to note that information has been received from a highly confidential and usually reliable source, that Axel Wenner-Gren is closely associated with Field Marshal Goering of Germany, who is reported to have large Swedish munitions interests. This close association is allegedly borne out by the

fact that Goering reportedly sent for Wenner-Gren in order to request that he, Wenner-Gren, use his great influence to bring about a cessation of hostilities in the war between Finland and Russia. The inevitable conclusion to this incident, as stated by the confidential informant, is that the Bofors Company had been making large sums of money by selling armaments and munitions to the Finns and that a cessation of hostilities between Russia and Finland was essential to the successful continuance of the war with the Allies on the part of Germany.

In this connection information was received from this same confidential source that the Swedish heavy armament industry is overwhelmed with orders for equipment, a great deal of which is for export. The industry is capitalized at twenty-seven million crowns and it is reported to have paid a dividend of 11%. It is further reported that the value of stock has increased 135% over previous quotations. Information was received that there is some indication that the heavy armament industry in Sweden is linked with the Nobel group, although Krupp is believed to be indirectly an important stockholder.

The informant advised that it is obvious that the moneyed interests in Sweden had much to gain by the continuance of the Russian-Finnish War as they were reported to be supplying armaments and munitions to Finland, as well as to Germany in its war against the Allies. Consequently, Germany was interested in bringing about a quick cessation of hostilities in the Russian-Finnish War in order that it would receive maximum supplies of armaments and munitions from Sweden.

Information has been received that Wenner-Gren left Sweden in his palatial yacht, the "Southern Cross", formerly owned by the American flyer Howard Hughes, just prior to the outbreak of the present European war, being allegedly apprehensive of German designs on Sweden.

On September 3, 1939, the British owned SS ATHENIA was sunk. According to available information, the SOUTHERN CROSS

was, at that time, on a voyage from Norway to Miami, Florida, with the owner, Axel Wenner-Gren, and his wife aboard. Being fearful that he might become "tangled up" in the British "shipping control regulations" Wenner-Gren is reported to have decided to pass north of Scotland, rather than via the British east coast and the English Channel.

Information has been received that shortly before 9:30 P.M. (GMT) a radio message was intercepted by the radio operator aboard the SOUTHERN CROSS concerning the sinking of the SS ATHENIA, 65 miles away. The SOUTHERN CROSS reached the SS ATHENIA, according to available information at 2:30 A.M.

Information has been received from a confidential source that the sinking of the SS ATHENIA may have been effected from the SOUTHERN CROSS. However, information received from another confidential source indicates that neither the SOUTHERN CROSS nor her owner and crew are believed to have been in any way concerned in the loss of the SS ATHENIA and that they did an efficient rescue job.

It was determined from a confidential source that about 1939 Axel Wenner-Gren purchased an estate in Nassau, Bahama Islands, and has spent considerable time there during the past year. It was reported that he made occasional trips to the United States, usually utilizing air travel in both directions.

According to available information, Axel Wenner-Gren has now moved all of the furnishings from his Nassau estate. Information has been received from a confidential source that he is presently en route to various points on the West Coast of the United States and to Alaska. In this connection, information has been received from a confidential source that Axel Wenner-Gren has transferred the registration of his yacht the SOUTHERN CROSS from a port in Sweden to a Panamanian registration.

According to available information, Wenner-Gren may now be acting as an agent of the German government. It was reported despite the fact that originally he may have had "anti-Nazi leanings" it is believed that due to the fact that he has extensive holdings in countries now under the domination of Germany, he may now be pro-Nazi.

The yacht SOUTHERN CROSS arrived in Los Angeles at 9:45 A.M., July 16, 1940. Information has been received from a confidential source that the ship was boarded by United States Immigration authorities at 10:00 A.M. and it was found that the owner, Axel Wenner-Gren, his wife and 39 crew members, were on board. It was determined that Wenner-Gren and his wife have 60 day landing permits issued at Miami, Florida, at an unknown date. All crew members were granted landing privileges. Information was received from a confidential source that the SOUTHERN CROSS will leave Los Angeles on Thursday, July 18, 1940, for Treasure Island, San Francisco, California.

Federal Bureau of Investigation
United States Department of Justice

LOS ANGELES, CALIFORNIA
July 23, 1940

Director
Federal Bureau of Investigation
Washington, D. C.

CONFIDENTIAL

Re: AXEL L. WENNER-GREN;
ESPIONAGE.

DECLASSIFIED BY SP2TAP/
ON 12/14/81

Dear Sir:

Subsequent to the receipt of information from the Bureau that AXEL WENNER-GREN, the owner of the steam yacht "SOUTHERN CROSS", was expected to arrive in Los Angeles Harbor on July 17 or 18, 1940, it was discovered, as the Bureau has been informed, that the SOUTHERN CROSS actually arrived in Los Angeles Harbor at 9:45 A.M., July 16, 1940. Immediately upon ascertaining this information, a surveillance was established at the Los Angeles Shipbuilding Company shipyards, where the SOUTHERN CROSS was docked, by Special Agents W. M. BOTT and D. W. MAGEE. Another surveillance was established at the home of T. E. LUNDHOLM, whom it was expected WENNER-GREN would contact. These surveillances were maintained until the early morning of July 18, 1940 when it was necessary to remove Special Agent D. W. MAGEE from the assignment to conduct expedite investigation in the case entitled "MAURICE MANDELL; Subversive Activities".

Special Agent W. M. BOTT maintained the surveillance at the Los Angeles Shipbuilding Company and Special Agents H. F. ANGELL and J. E. STEWART continued to maintain a surveillance on the home of T. E. LUNDHOLM, awaiting the appearance of WENNER-GREN, who had not yet been located. At 10:30 A.M. on July 18th, a Buick sedan, bearing 1940 California license number 9X9165, rolled into the shipyards while Agent BOTT was calling the Los Angeles office to report, in accordance with previous instructions, and to determine if WENNER-GREN had as yet been located. At 11:30 A.M. this same automobile was observed by Agent BOTT to leave the shipyards and at this time it was noted that an individual believed to be WENNER-GREN was in it. There is attached a memorandum prepared by Agent BOTT reflecting the surveillance maintained on this automobile by him until it entered the Paramount Motion Picture Studio.

1 ENCL. C

At the time Agent BOTT called the office to advise that the car had entered the studio entrance, I was making a talk before

DECLASSIFIED DATE 9/6/ 11

RECORDED & INDEXED

30X

FEDERAL BUREAU OF INVESTIGATION
1 SEP 24 1940
U.S. DEPARTMENT OF JUSTICE

FILE

the Wilshire Chamber of Commerce. Agent MOSS, upon receiving the report from Agent BOTT, called me immediately and I instructed him to have Special Agents H. F. ANGELL, A. R. MILLER and E. P. HAIR take another automobile and report to Agent BOTT immediately. Agent STEWART was instructed to return to the Bureau office in order that he would be available to interview complainants and informants as it was believed four men could satisfactorily maintain the surveillance desired since WENNER-GREN had been located.

At 6:00 P.M., Agent MILLER called me on the telephone and advised that WENNER-GREN had not left the Paramount grounds and suggested it might be desirable to make a discreet check with a representative of the studio in the event one was known to me who could be trusted. I immediately communicated with T. K. GLENNAN, Studio Manager, and asked him to make a confidential check of automobiles on the lot to see if that in which WENNER-GREN had been observed to enter was still on the premises. He subsequently communicated with me by telephone and advised that he had checked the entire lot and was unable to locate that automobile. This information was conveyed to Agent MILLER and I asked him to contact GLENNAN personally and make a thorough check. This was done and it was determined that the car was not on the premises. I therefore instructed Agents BOTT and ANGELL to return to the Los Angeles Shipyards and Agents MILLER and HAIR to proceed to the home of T. E. LUNDHOLM.

At 12:30 A.M., July 19, 1940, the SOUTHERN CROSS left Los Angeles Harbor for San Francisco and it was determined definitely by the Immigration authorities that AXEL WENNER-GREN was on board. The San Francisco office was accordingly advised of the departure and of the presence of the owner aboard the vessel.

Reviewing the facts and endeavoring to reconstruct what apparently happened, the only conclusion which can be drawn is that during the short period of time in which Agent BOTT was telephoning the office the automobile in which WENNER-GREN was riding, which is owned by BEN PIAZZA, a talent scout for R.K.O. Studios, must have been driven into the Paramount Studio, possibly in error, the chauffeur believing it to be the entrance to R.K.O. Studios, which is around the corner, and having ascertained his mistake upon being checked by the guard at the entrance, made a circle around the building immediately inside the entrance to the Paramount Studio, returned down Lemon Street,

made a right turn, during the few seconds in which Agent BOTT was not observing the intersection of Lemon and Van Ness Streets. This is, of course, only an assumption, but in view of subsequent developments and the fact that the main entrance of the Paramount Studios, located on Marathon Street, is not used by automobiles, it appears to be what probably happened. It should also be noted that the records at the Paramount Studio gate reflect the license numbers of all automobiles entering and the identity of the occupants. The records fail to reflect the entrance of an automobile with the license number of that occupied by WENNER-GREN and do not reflect the name of WENNER-GREN or BEN PIAZZA.

Agent BOTT, I believe, exercised proper judgment in not entering the Paramount Studio after the automobile, since, as he indicated in his memorandum, he would have to identify himself in order to gain entrance. It also seems to me that he did the proper thing in calling the office to get assistance to maintain the surveillance since he was fairly sure that the car was within the Paramount Studio. It should also be noted that Agent BOTT advised me that at the time the automobile entered the studio it was approximately 12:30 P.M. and the first thought which occurred to him was that the occupants were going into the studio for a luncheon engagement and that while they were engaged in having lunch other Agents would have an opportunity to get to the scene.

In endeavoring to determine how the error could have been avoided, it is indicated that had Agent BOTT waited a few minutes before calling the office, assuming that the reconstruction is a proper one, he would have observed the car returning down Lemon Street, but it is noted that Agent BOTT did wait for a short period of time prior to calling the Los Angeles office and I do not believe that he should be criticized for not having waited a few minutes longer.

It is very obvious that the happening could have been avoided had two Agents been engaged on this surveillance rather than one. As previously indicated, up until the morning of July 18th two Agents had been engaged on the surveillance at the shipyards and two at the LUNDHOLM residence and the only reason one of these was taken off was because of an expeditious investigation which the Bureau had instructed be given expeditious and immediate attention. In order that the Bureau may better determine whether two Agents could have

been assigned, I am listing the Agents assigned to this office with the assignments on which they were engaged during the morning of July 18th, 1940:

H. F. ANGELL - Surveillance at home of T. E. LUNDHOLM.

K. E. ANGELL - In-Service Training, Washington, D. C.

W. M. BOTT - As indicated.

M. M. BRIGHT - Surveillance of Dr. HERBERT HOEHNE, night shift.

E. W. BROWN - Surveillance of Dr. HERBERT HOEHNE, day shift.

S. E. DENNIS - Checking records of Telephone Company for telephone calls from home of T.E. LUNDHOLM in an effort to trace LUNDHOLM'S contacts for possible location of WENNER-GREN.

J.G. FINDLAY - In-Service Training, Washington, D. C.

E. P. HAIR - Interviewing complainants in Los Angeles office.

R. H. HALLERBERG - Technical surveillance.

J. D. G. HOMER - Technical surveillance.

J. J. HORGAN - Technical surveillance.

A. D. HORN - In court; kidnaping case.

J. F. HYNES - Surveillance of Dr. HERBERT HOEHNE, day shift.

I. J. KELLOGG - Surveillance of Dr. HERBERT HOEHNE, day shift.

G. D. KING - Surveillance of Dr. HERBERT HOEHNE, night shift.

D. W. MAGEE - Previously indicated.

M. W. McFARLIN - Assistant Special Agent in Charge.

A. R. MILLER - In charge of case, coordinating agent and also interviewing complainants in office.

J. P. MOHR - Surveillance of Dr. HERBERT HOEHNE - night shift.

H. K. MOSS - Supervising general intelligence cases in office.

T. M. MULHERIN - Surveillance of Dr. HERBERT HOEHNE - day shift.

M. B. MYERSON - In-Service Training, Washington, D. C.

D. L. O'CONNOR - Under transfer but not arrived.

W. H. OSBORNE - Conducting expedite applicant investigations - badly delinquent.

V. I. PARRY - Assisting Special Agent D. W. MAGEE.

W. S. RICH - Worked entire preceding night to 8:00 A.M. on technical surveillance; left for Washington, D. C. that evening.

J. H. ROCHE - Surveillance on Dr. HERBERT HOEHNE - night shift.

J. C. SLOANE - Anti-trust investigation; special case.

M. L. SMALL - Interviewing complainants.

H. A. SMITH - Handling expedite espionage case involving one HARMS, G. J. BÖHLER and ALFRED WURZIAN leaving this country on S.S. HEIYO MARU. Also endeavoring to become familiar with supervision of G. I. cases as Agent MOSS then under transfer to Washington Field office.

M. SOROLA - Civil assignment only.

J. E. STEWART - Surveillance on T. E. LUNDHOLM.

F. G. TILLMAN - At Catalina Island endeavoring to determine identity of one HARMS, subject in espionage case mentioned above.

C. VAN DERVEER - Surveillance of Dr. HERBERT HOEHNE - night shift.

R. H. WILLIAMS - Surveillance of Dr. HERBERT HOEHNE - night shift.

It should also be noted that at the present time it is necessary for at least four agents to be in this office at all times during the day in order that the people calling in person and on the telephone may receive attention.

Reviewing the facts, it is my opinion that if there is any criticism coming to this office for the loss of WENNER-GREN on this surveillance it should be directed to me rather than to Agent BOTT for having failed to assign two Agents to the surveillance.

Very truly yours,

ARTHUR CORNELIUS, JR.
Special Agent in Charge.

AC:MO
Enclosure.

Los Angeles, California
July 22, 1940

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-16-81 BY [illegible]

MEMORANDUM FOR THE SAC

Re: SURVEILLANCE OF BUICK SEDAN BEARING 1940 CALIFORNIA PLATES 9 X 9165, ON JULY 18, 1940.

On the morning of July 18, 1940, the writer was covering the Los Angeles Shipyards and Dry Dock Corporation at San Pedro, California, in an effort to determine the activities and contacts of AXEL WENNER-GREN, owner of the steam yacht "Southern Cross" which was docked in the shipyards at the time. At 11.30 A.M. a Buick sedan bearing 1940 California license plates 9X 9165 and driven by a liveried chauffeur left the shipyards with a gentleman passenger in the front seat and two middle-aged ladies in the rear of the sedan. The gentleman in the front seat strongly resembled a photograph of WENNER-GREN which had been secured from an issue of TIME magazine.

In view of this fact, Agent followed the car in question from San Pedro to Torrance, California, to Hollywood, California, a distance of approximately thirty miles. Upon arriving on the outskirts of Hollywood, the Buick sedan traveled north on Van Ness Avenue, across Melrose Avenue, a main thoroughfare, and turned west on Lemon Street which is three blocks north and runs parallel to Melrose Avenue. Agent was familiar with Lemon Street and knew that it was a "dead-end" street leading to one of the entrances to the Paramount motion picture studio, and that if the car did not enter the studio, it would have to return ultimately to Van Ness Avenue via Lemon Street. When agent arrived at the corner of Van Ness Avenue and Lemon Street, Agent stopped his car in the heavy traffic on Van Ness Avenue and noted that the Buick sedan was at that time in the center of Lemon Street at the entrance to the studio. By this time it was 12.30 P.M. Agent immediately parked his car approximately sixty feet north of Lemon Street on the east side of Van Ness Avenue, the only parking space available, keeping the intersection of Van Ness Avenue and Lemon Street under observation. As previously stated, traffic was heavy on Van Ness Avenue at the time, but there was no traffic on Lemon Street although both sides of Lemon Street were occupied by parked automobiles. After parking his car, Agent ran across Van Ness to Lemon Street. This required less than a minute. On arriving at the eastern end of Lemon Street, Agent looked westward on Lemon Street toward the studio entrance, a distance of approximately an average city block, and noted that the sedan was not in sight and that it was not parked outside of the studio on Lemon Street.

The main entrance through which ordinary business and visitors to the studio are conducted is located on Marathon Street, two blocks south and approximately two blocks west from the corner of Lemon Street and Van Ness Avenue. Executives of the Paramount Company, movie stars, and important

65-8857-30X1

Re: SURVEILLANCE OF BUICK SEDAN BEARING
1940 CALIFORNIA PLATES 9 X 9165, ON
JULY 18, 1940

visitors who park their automobiles inside the studio grounds, use the Lemon Street entrance. Agent was cognizant of this fact, having accompanied prominent persons to the studio in an official capacity in the past.

Owing to the discreet nature of the surveillance being conducted in the instant case and the prominence of the subject, Agent did not deem it advisable to contact the studio concerning the car in question as it would have been necessary for Agent to have disclosed his identity in order to have obtained any information or to have entered the studio grounds. Agent also recalled that there were other vehicular entrances to the studio on Marathon Street, adjacent to the main office entrance, which could not be seen from Van Ness and Lemon Streets and which would have to be covered in order to observe the WENNER-GREN party should they leave the studio via the Marathon Street gates.

Agent waited at the corner of Van Ness and Lemon Streets for a minute or two, and observing nothing, ran to a market located on the west side of Van Ness Street approximately sixty feet north of Lemon Street, for the purpose of advising the Los Angeles Bureau Office of developments and requesting additional agents to cover the Marathon Street entrances. While en route to the market, which required only a second or two of time, Agent kept the East end of Lemon Street under observation. The public pay station telephone in the market was located on the south wall of the store, approximately four feet west of the Van Ness Street sidewalk. The market is open across the entire front. Agent called the Los Angeles office without experiencing any unusual delay, and advised Special Agent H. K. MOSS of the situation. On being advised that agents would be sent to Van Ness and Lemon Streets immediately, Agent returned to the corner of Van Ness and Lemon Street and kept the entrance to the studio under constant surveillance. Agent checked the driveways of the houses on both sides of Lemon Street and a small public garage on the north side of Lemon Street with negative results. This was accomplished from the sidewalk, which permitted Agent to keep the studio entrance under observation. The only period of time during which Lemon Street was not under actual surveillance was the time required to telephone and this could not have exceeded approximately two minutes.

Approximately an hour later, 1.30 P.M., Agents MILLER, HAIR, and ANGELL arrived at the corner of Lemon and Van Ness Streets, Agents HAIR and MILLER then covering the Lemon Street entrance to the studio while Agents ANGELL and BOTT covered the Marathon Street gates to the studio. Surveillance was maintained over all these entrances until approximately 6 P.M. when Agent MILLER was instructed to contact the studio relative to the car in question. Agent MILLER ascertained that there was no record of the car entering the studio and that the car was not in the studio at

Re: SURVEILLANCE OF BUICK SEDAN BEARING
1940 CALIFORNIA PLATES 9X 9165, ON
JULY 18, 1940

the time of Agent MILLER'S inquiry and that no one apparently knew anything concerning WENNER-GREN'S visit to the studio.

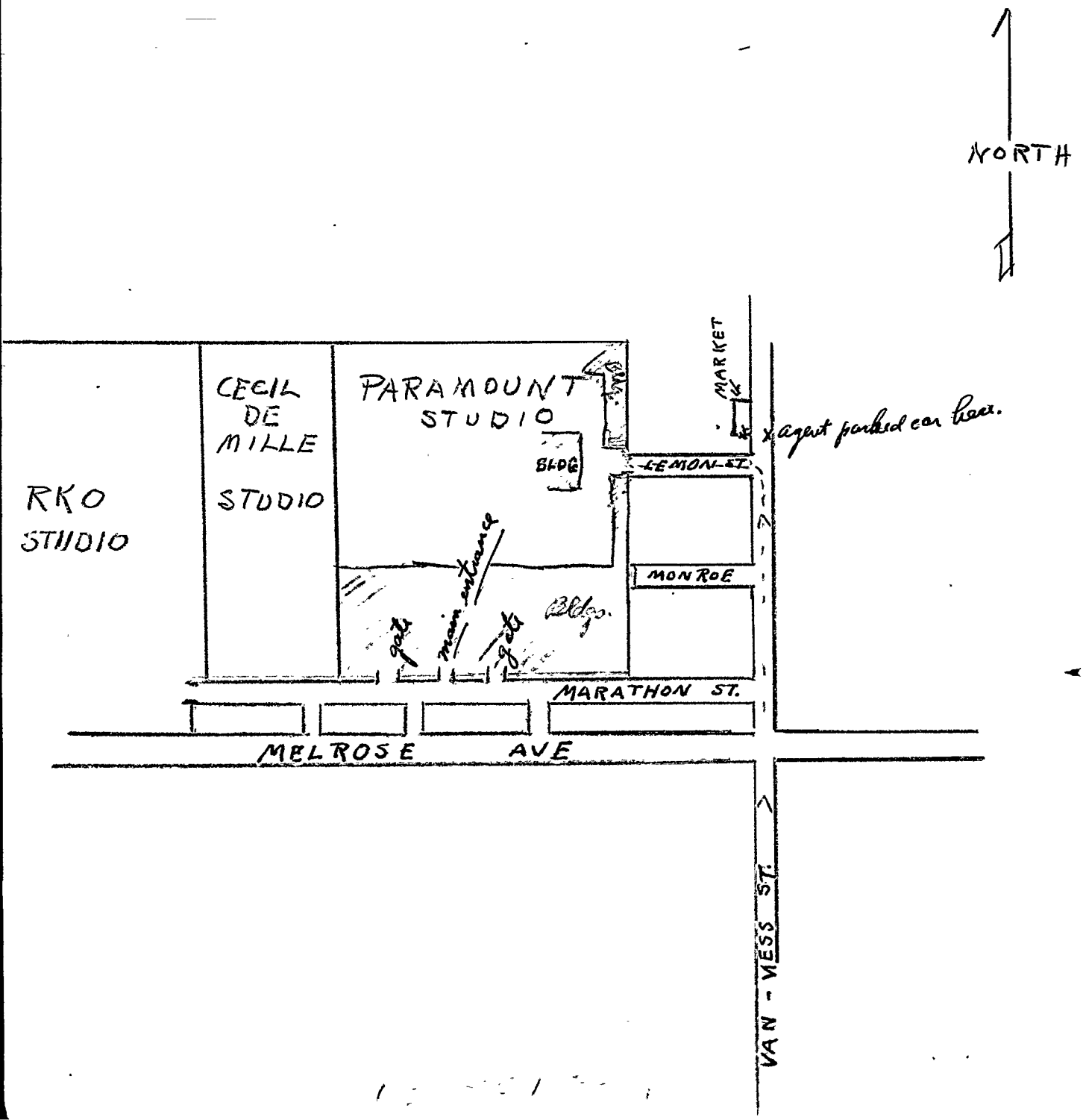
On receiving this information, Agents BOTT and ANGELL were directed to proceed to the Los Angeles Shipyards and Dry Dock Corporation, San Pedro, California, where they arrived at approximately 7 P.M. and remained on duty until 12.30 A.M., July 19, 1940, at which time the "Southern Cross" left Los Angeles harbor for San Francisco with WENNER-GREN and his party aboard. In view of the fact that Subject was not seen between 7 P.M. and the hour of the departure of the "Southern Cross", it is evident that he returned to his yacht prior to 7 P.M. on July 18, 1940.

A reference sketch showing the lay-out of the streets and studios in the vicinity of Van Ness and Lemon Streets is being attached hereto.

Respectfully submitted,

W. M. BOTT
Special Agent

WMB als


NORTH
MARKET
x agent parked car here.
CECIL DE MILLE STUDIO
PARAMOUNT STUDIO
BLDG
LEMON ST.
RKO STUDIO
main entrance
gate
gate
Bldgs.
MONROE
MARATHON ST.
MELROSE AVE
VAN - NESS ST.